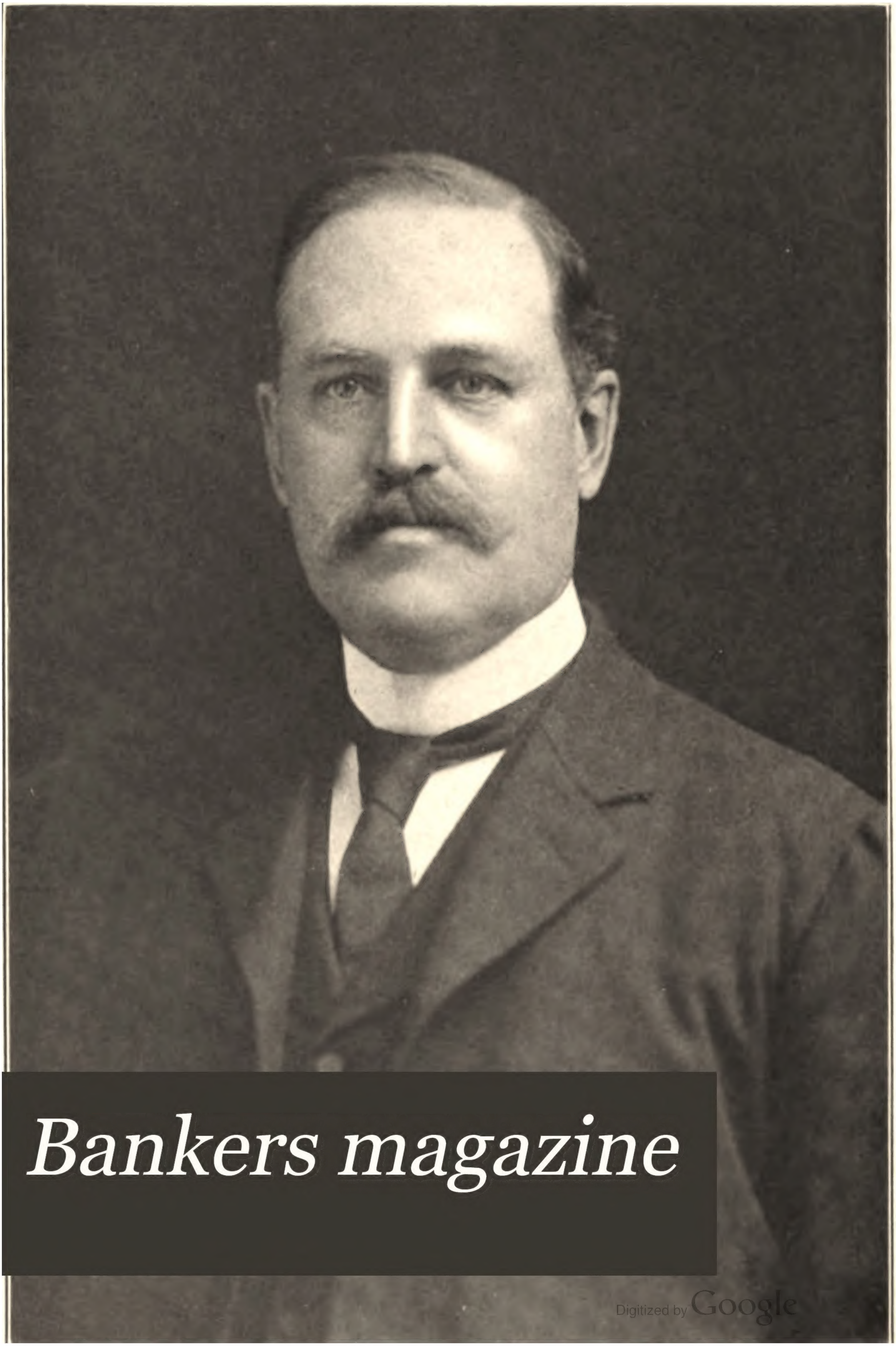


Bankers magazine

THE

BANKERS' MAGAZINE

RHODES JOURNAL OF BANKING AND THE BANKERS' MAGAZINE

CONSOLIDATED

VOLUME LXXVI

JANUARY TO JUNE

1908

NEW YORK

THE BANKERS PUBLISHING CO., PUBLISHERS

90 WILLIAM STREET

INDEX.

January to June, 1908.

I. EDITORIAL COMMENT AND LEADING ARTICLES.

II. BANKING AND FINANCIAL LAW AND REPLIES TO QUESTIONS.

LIST OF CASES.

REPLIES TO LAW AND BANKING QUESTIONS.

CANADIAN LAW.

LIST OF CASES.

III. BANKING MISCELLANY, REPORTS, ETC.

THE

BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

SIXTY-SECOND YEAR | JANUARY, 1908 | VOLUME LXXVI, NO. 1

THE CENTRAL BANK SCHEME.

THIS project has now enlisted in its support some of the ablest leaders of American financial opinion and is strongly advocated by the Comptroller of the Currency in his recent Annual Report to Congress. After presenting a number of reasons why a central bank would be the best solution of our troublesome currency and banking problems, the Comptroller says:

"Many plans have been suggested for the organization and control of a central Government bank. An essential feature of it should be that it must be under Government control, so that it could never be monopolized or used by any man or set of men. It should be kept out of politics. * * * It would not be difficult to accomplish this end by having the control divided between certain directors elected by the shareholders and a certain number chosen by the Government."

We have not the truly childlike faith and simplicity of mind which the Comptroller exhibits in the above passage. Such a bank as he proposes would be controlled either by the directors appointed by the Government—in which case it would be a political bank—or it would be dominated by the other directors and would become the representative of their interests. In fact, under any plan of organization that can be devised short of a revolution in our banking system, a central Government bank will inevitably fall into the hands of one or the other of the great financial groups which already have far too much power, and will be used in the promotion of their schemes at the expense of the people of the United States.

The Comptroller also favors a central bank as a depository of the reserves of country banks. He thinks that if the reserves were so deposited they would be available when needed. But even a central bank could not put these reserves in a box and sit on them. It would have to lend them, and when they were called for by the country banks, there would be the same disturbance that we now experience. If the reserves were not loaned out by the central bank, they might just as well be kept on hand by the country bank itself.

Again, the Comptroller says that a bank depositing its reserves with the central bank could feel sure that at any time, so long as it was solvent, it could go to the central bank and get any amount of cash needed on the notes of its customers, or other good security.

We must caution the "country banks" against relying too much on this resource to help them out in time of need. They might be solvent, but if otherwise they did not conform to the high ideals of those in control of the central bank, they might feel less sure of getting any amount of cash after they had tried to do so.

On the other hand, if a bank holds, at all times, a sufficient reserve, it can

be sure of meeting all reasonable demands. And a bank that takes care to preserve its credit will hardly ever be subject to any other kind. If a panic should come, the only safe reliance is to be found in co-operation among all the banks, not by trusting to receive aid from some lordly institution dominated by selfish and possibly hostile interests.

SOME interesting speculations arise out of the suggestion for establishing a central Government bank. Of course, such an institution being subject to the regulation of Congress, the complexion of its management will change from time to time.

If the Republicans remain in power, Democratic promoters of enterprise may expect several lean years, and the Grand Old Party camps will drip fatness. Should Mr. BRYAN ride into favor on the present wave of unrest, he may be expected to have the bank discourage loans to the "protected trusts," of which he is the sworn and unrelenting enemy. If the Populists get control of the Government, shall we expect to see TOM WATSON made president of the bank? And if he should be elected to this position, would he and his fellow directors make loans on the basis of the collateral offered by the applicant, or on the basis of his views respecting the initiative and referendum? Or on the length and luxuriance of his whiskers? Under such an administration how would the "Standard Oil crowd" and "the Morgan crowd" fare when they applied for loans? Would it not be the plain duty of the Populist management to destroy "Wall Street" by refusing all applications for loans from Stock Exchange operators?

Or, on the other hand, if Mr. ROGERS and his associates dominated the bank, would they make loans to Mr. LAWSON to carry on his speculative campaign where, according to announcement, the devil is to take the hindmost?

Would the Prohibitionists, if they got control, refuse to make loans to the makers and dispensers of intoxicants?

All these and many other interesting possibilities are likely to arise if Congress should ever sanction a central Government bank.

AUTOMATIC regulation of the note issues is also one of the advantages claimed for a central bank by the Comptroller of the Currency. He says on this point:

"The central bank, if given the exclusive right to issue credit bank notes, as it should have, could regulate the issue of notes in accordance with the demand, which could be determined automatically and with precision, through its relations with the other banks of the country."

This statement may well be challenged. The regulation of bank note issues can best be entrusted to the banker who deals at first hand with his customers, in the same manner that book-credit loans are regulated. No central bank can possibly perform that function so well as the "country banker" himself, and for reasons that seem too obvious to require enumeration.

But then it is claimed that a central Government bank would be able to handle the public funds to much better advantage than the existing banks, and thus relieve the Treasury of a vexing problem. To this we can only reply that any Secretary of the Treasury who will consider just two things—convenience and safety—in depositing public funds in the banks, will have settled this "vexing problem" for all time.

THE possibility—nay, the certainty—however, upon which the American people should fix their attention is this: that a central Government bank will fall into the hands of great and powerful financial interests who will use the vast resources of the bank, including the funds belonging to the Government and derived from the people by taxation and borrowing, to promote the schemes that these interests are engaged in carrying on for their own aggrandizement. It has become difficult for these interests to control individual banks enough to keep their numerous and stupendous undertaking at all times supplied with funds. The Treasury pursues a policy which virtually helps them, in a limited way, but with a Government bank under their control this limit would be much extended, and they could so discriminate against their rivals and in favor of their friends that they would practically dominate the country's banking and financial operations.

It may be held that inasmuch as the proposed Government bank would not do a discount and deposit business, no such abuse of power would be possible. A little reflection will show, however, that if the bank is given a monopoly of note issues against the paper of other banks deposited with it, that is practically doing a banking business. Whether it issues notes, or grants credits in the shape of book entries, is a distinction of no importance, except that in enjoying a monopoly of the note-issuing privilege it would have an advantage over other banks.

WHILE many of the banks were being subjected to heavy drains by their depositors during the late panic, others were at the same time adding largely to their deposit accounts. There must have been some reason why people withdrew money from one bank only to redeposit it in another. They doubtless regarded the banks they were dealing with as good enough for fair weather, but had doubts of their ability to withstand a financial gale.

Times of stress show the value to a bank of a high reputation and an unassailable credit. McLEOD's dictum, that "The whole mystery of banking consists in keeping strong reserves of specie as compared with total liabilities," might be changed to read, "The whole mystery of banking consists in keeping the assets clean." For while a strong reserve is desirable at all times, and should be steadily maintained, it is not so much the amount of cash that saves a bank in time of panic as its credit. The bank that is known to be out of suspicion's reach need not fear a run; if one should come such a bank can always depend upon the character of its resources to meet demands, or in case of extremity its calls for help will find a quick response.

There is really but one sure way in which banks may get and keep the public confidence—by deserving it, and this can be done only by absolutely excluding from the assets everything of a doubtful character.

A CENTRAL bank undoubtedly has much to recommend it to earnest students of American banking. If such an organization could be kept free from the control of politicians on the one hand and of selfish financiers on the other, and were not given a monopoly either of note issues or of handling public funds, it would be unobjectionable, and might be of considerable service.

The conspicuous success of the Bank of France has, unquestionably, attracted the support of many able minds in

behalf of a similar institution in this country. But it may be doubted whether the remarkable record made by that great institution has not been due chiefly to national characteristics rather than to the form of the bank's charter. The French are a nation of savers and investors. The Americans, perhaps, should not be called spendthrifts, but they lack the careful habits of the French, and instead of being investors they are speculators. Something more than a central bank is needed to effect a transformation of our national traits.

The concentration of financial control has already progressed to a point in the United States where it constitutes a menace to the unhampered exercise of individual rights. A central bank, while probably conducing to banking safety, would effect a still greater concentration of that control. While the safety of banking is important, the safety of American liberty is still more important.

We do not believe, however, that the establishment of a central Government bank is to be regarded as an imminent peril, for the reason recently stated by that shrewd observer of American public opinion, Hon. LESLIE M. SHAW, former Secretary of the Treasury. Mr. SHAW declared that there was no present chance of this scheme getting through Congress. He said that not five per cent. of the members would vote for it, and that not one who did do so would be re-elected.

THE main office of the central bank, in the Comptroller's opinion, should be in Washington, with such branches in the reserve cities and sub-treasury cities as are found necessary. If the bank is to be a political institution, Washington is the appropriate place for the main office. But we can not see why that city offers any advantages as the headquarters of a great business bank.

Probably for some time to come the main office of the bank will be in the Comptroller's Bureau, with such branches as may be found necessary in the various colleges, academies and lyceums of the country.

AN examination of some figures given in the Report of the Comptroller of the Currency for 1906 will make it clear why the banks of the United States were unable to meet the demands recently made upon them for cash. From the figures referred to it appears that 17,905 banks reporting to the Comptroller held cash amounting to $1,016,448,222 against individual deposit liabilities amounting to $12,215,800,000. It does not require any profound mathematical skill to enable any one to determine that there existed a large disproportion between the supply of cash on hand and the possible demand for it. True, even in the late panic, all of this demand did not materialize, but there was enough of it to cause the banks a great deal of trouble; and the bothersome thing about it all was that no one knew where the trouble was liable to break out. Under such circumstances each bank was compelled to act as if it were in danger of being made the chief point of attack, and this was the course which was taken. Naturally, the result was to aggravate a situation that was already bad enough.

Science may one day solve the difficulties now incident to the transporting of money from place to place. If actual currency could be sent by telegraph, or if it were in liquid form and could be conveyed through pipes, the delays now experienced in hurrying supplies of money to points of attack might be greatly reduced.

There is a resource which would tend to allay panics that might be placed within easy reach of the banks if Congress would only permit the issue of credit notes. If a bank had the right to issue credit notes, whenever there was a "run" by depositors, the bank could simply hand out its notes. The depositors would readily take the notes, since what they want is not gold but something that will pass as money.

A bank so issuing its credit notes would simply be exchanging one form of credit for another—not increasing its liabilities but changing their form from a book credit to a credit in the form of circulating notes. The ability to do this would make it possible for banks to check runs at their inception, and thus, in most cases, prevent them from developing into a general panic.

This would be possible, however, only where a bank kept in reserve a substantial part of its authorized note issue—a course which every bank could well afford, and one which every prudent bank would certainly take.

At present a national bank can not afford to keep its notes on hand—they are too costly, but if the banks were allowed to issue credit bank notes, these would cost nothing so long as unissued, beyond the trifling expense for engraving and printing.

By legislation of the simplest character, and without imposing a tax on the notes, Congress could place in the hands of the banks a powerful weapon for combating panics, even if it did not prove effectual in warding off their approach altogether.

BANKS that piled up and held big reserves during the late crisis have come in for a great deal of criticism. Those institutions that took such a course were acting with a view to their own safety without much apparent concern for others.

In time of panic the most obvious means of self-protection is to lay in a large supply of cash. A banker who has had much experience does not need to be told that if his depositors once become alarmed nothing but real money will allay their fears. It is clear that the only practical means of meeting these exceptional and urgent demands is to have plenty of money on hand. Even the cash with the nearest reserve agent may be too far away, for when the public mind is excited by wild rumors the onslaught of frightened depositors may come suddenly and without warning. Delay in procuring cash may not only be dangerous but fatal.

Considerations of the character given above appeal convincingly to most banks. With a bank, as with an individual, self-preservation is the first law.

Yet the banks that act upon this plausible view of the matter are doing precisely that thing which will tend most surely to bring about the very attack of which they stand in dread. For these extra supplies of cash can not be had without a reduction of loans somewhere; and a reduction of loans, wherever it may take place, is bound to have an influence far beyond the locality primarily concerned. In the long run it is pretty sure to react upon the community where the bank making the demand for cash is situated, and ultimately to fall upon the bank itself, directly or indirectly.

The principle of co-operation was, after all, what saved the day in the late panic. By pooling their reserves, the banks were able to sustain the weaker institutions and at the same time to supply the demand for credit to a much greater extent than would have been possible if each bank had been compelled to hoard its reserves.

The value of this principle of co-operation having been so well establish by experience in the 1907 panic and in that of 1893, it would seem to be well to enquire if it might not be employed advantageously in normal times. It is conceivable that if the banks would come to some agreement about paying interest on deposits, reserves, and other banking matters, it would never be necessary for them to have to pool their cash and issue clearing-house certificates. A small part of the spirit of co-operation manifested in the late panic, if displayed at all times, might be of immense benefit to the banks and the general business interests of the country.

THE kinds of cash held by the banks at present may be studied with interest and profit. It seems that in 1906 the 17,905 national and other banks reporting to the Comptroller of the Currency held cash as follows:

Gold coin	$158,294,060
Gold Treasury certificates	216,144,717
Gold Treasury certificates, payable to order	30,040,000
Gold clearing-house certificates	83,813,500
Total gold	$488,292,277
Silver dollars	$23,085,629
Silver Treasury certificates	101,280,157
Fractional silver	11,369,769
Total silver	$135,735,555
Specie not classified	7,027,629
Total specie	$631,055,461

While the banks hold a much larger amount of gold than of silver, they have a comparatively small gold cover for their $12,000,000,000 of deposit liabilities, nor is their proportion of gold so large, relative to the total of cash on hand, as may be seen from the figures given below:

Specie, as above stated	$631,055,461
Legal tenders	262,263,412
National bank notes	37,664,741
Fractional paper currency, nickels and cents	1,993,214
Cash not classified	83,471,394
Total cash	$1,016,448,222

This is, roughly speaking, one-twelfth of the deposit liabilities. A little more than half of the total cash consists of specie, the latter item being made up of $488,292,277 in gold, $135,735,555 in silver, and $7,027,629 not classified.

Since current funds are available for paying depositors, the banks find no especial reason for keeping a large amount of specie on hand, either gold or silver. Even their reserves may be kept in legal tenders as well as in gold and silver coin and certificates. The figures given above hardly sustain the idea held by many, that among state institutions, and some national banks also, national bank notes are held to a considerable extent as reserves. Of course, the bank notes as reported above may not be quite accurate, since it is well known that some of the banks have a habit of estimating the amount of bank notes on hand. There is no reason for suspecting that they ever under-estimate this item. But making due allowance for this, it will be seen that bank notes are used, as they ought to be, for circulating purposes.

For obvious reasons the kinds of cash found in the banks on any given date—excepting the sums specifically

set aside for reserve purposes—will consist to a considerable extent of the kinds of money that predominate in local circulation. The reason that the bank notes do not constitute a greater percentage of the cash holdings is due, in part at least, to the fact that they represent in the aggregate but a comparatively small percentage of the total currency supply of the country.

Banking is a business where even the appearance of solidity and strength goes a long way in gaining public confidence. A bank that holds its reserves in legal tenders, silver dollars, or in gold certificates or silver certificates may be in just as strong a position as one that holds its reserves in gold coin, but the solid appearance given by the possession of the latter form of money has a sentimental effect which no bank can afford to despise.

IN seeking to pile up big reserves in a financial crisis, a bank is reversing the true principle of banking. A substantial reserve, steadily maintained, is one of the best paying investments a bank can make. It will apparently cause a loss of income to keep a large reserve on hand at a time when business is brisk and everything appears to be prosperous. But that is precisely the time when caution is most needed. A reserve of several thousand dollars above the customary limit may cause some loss of income, but it is far better to suffer this loss of income than to run the risk of losing part or even all of the principal by lending too freely.

At a time when the "progressive" banks are straining to keep every dollar out and to pile up big deposit totals, the bank that does not mind being called "old-fashioned" can afford to lessen its risks by keeping a strong reserve on hand, being satisfied with a moderate increase of deposits. Then, if a time of stress comes, that bank, having always kept a strong reserve on hand, can do what a bank ought to do at such times—expand its loans. A bank that is in a position to do this, can render the highest service to the business community, and by expanding its loans when other banks are contracting theirs will enhance its reputation and add to its profits.

ONE lesson learned from the late upheaval in banking circles has been the tremendous power that may be exercised by the banks acting unitedly through the clearing-houses of the country. Had this concerted action been lacking the credit of the country would have experienced an almost total collapse and the number of bank and commercial failures would have been multiplied many fold.

Upon the New York Clearing-House has fallen the brunt of the conflict, and it was borne in a manner worthy of the country's financial center. The clearing-houses of the other cities also did their full share in preventing the spread of the disaster. A great deal has been said about this having been "a bankers' panic," in other other words, it was the banks and not the people that were frightened. But it is probable that if the banks had not taken the heroic measures they did at the beginning of the trouble, the people would have had abundant cause for alarm later on. The banks saw the situation soon enough to ward off its ill effects from the public.

It does not take much knowledge of banking to realize the fact that a panic, like a fire, is to be checked in its incipiency, if at all. That the people were not more alarmed was probably due to the fact that the banks, at the first sign of trouble, swiftly brought into requisition every possible device for

keeping the wheels of business moving.

The issue of "clearing-house checks" has shown that here is a form of currency that may be used to great advantage in times of panic. But the wide difference in the methods of issuing and redeeming such a currency leaves the doors open for the introduction of serious abuses. The security for such a currency, the time it is to remain in circulation, and other features that might be mentioned, are matters of grave importance. There is, perhaps, not much danger of loss to the holders of any of this form of currency, since the banks constituting the various clearing-houses will no doubt see to it that there is ample security for all the notes put out. But there is considerable danger that too much of this currency may be issued, and that it may be kept outstanding long after the real need for it has passed away.

If the clearing-houses were incorporated, as proposed by Mr. THEODORE GILMAN, this emergency currency could be brought under regulations that would insure safety and prevent inflation. This would merely legalize a device that has been employed on more than one occasion without legal sanction.

Mr. VANDERLIP, speaking recently at Columbia University, New York city, said:

"The mobility of reserves that is an essential to safe banking, and which is insured by the branch banking system, may possibly be secured through a utilization of clearing-house relationships. Such relationships have been signally developed by the present financial crisis, and it is not unlikely that a legalization and expansion of the powers which clearing-houses have evolved in the stress and exigencies of the crisis, may offer a solution which will be more in harmony with the present political ideas than will either the branch banking system or the central bank.

"The disposition to provide merely for an emergency currency to be secured by bonds other than Governments, I believe would fail almost utterly to recognize those principles which should govern a solution of the problem."

If we must have a central organization of any kind, the incorporated clearing-house would be far less objectionable than a central bank. And it would be in accord with numerous precedents for the Legislature to realize what the people have already found to be a serviceable means of allaying panics.

Mr. VANDERLIP very justly says that an emergency circulation based on bonds fails to recognize those principles which should govern a solution of the problem.

Some time the bond-secured circulation must give way to a credit currency, and there is no sound reason why this should not be issued by the existing banks, under proper regulations.

But even when this reform is carried out there will still be a demand for concerted action on the part of the clearing-houses. No one can say, in the absence of experience under present conditions, that a credit currency would prevent such a crisis as we have lately witnessed. Its tendency would be in that direction, and if properly issued and redeemed it could hardly aggravate inflation as the bond-secured currency has done.

But in a country whose credit system is so vast, and where even a slight derangement may produce widespread disaster, situations may arise at any time calling for united action on the part of the banks.

The knowledge that all the banks of the United States were organized and ready at a moment's notice to bring their entire resources to the support of threatened credit would, of itself, have a powerful influence in staying the feeling of alarm that incites a panic.

The incorporated clearing-houses could exercise a beneficial influence at all times, though there is no good reason why they should issue currency, except in emergencies. The issue of notes to meet all ordinary demands could be safely entrusted to the existing banks.

The clearing-house has developed into a powerful and beneficent piece of financial machinery. Its powers could be greatly improved, and perhaps extended, by careful regulation under Federal authority, and this regulation would be justified on the ground that the clearing-houses have assumed the function of issuing notes to circulate as money.

IT has long been an accepted axiom that the business of banking consisted in gathering up the idle money of the country and lending it to those who had need of it in their business operations. This axiom apparently overlooks the fact that "idle money" is a very scarce article. The average man who has any surplus left over from his business finds employment for it in paying for the necessities of life, and meeting a few trifling expenses incurred by automobiling, the opera and other kindred diversions. If anything is left over after these requirements are provided for, it will be invested in some new enterprise, in extending business, or in some form of security.

In his lecture on finance at Columbia University on December 13, Hon. FRANK A. VANDERLIP, formerly Assistant Secretary of the Treasury and now vice-president of the National City Bank, New York, took occasion to correct what he regarded as a misconception about banking. He said:

"It is a misconception to suppose that a bank first accumulates deposits and then loans them out to borrowers. The operation is the reverse. The bank first makes a loan to the borrower and in so doing creates a deposit."

While this may be true enough, as a rule, it is subject to some important qualifications. We have in mind a bank that with a capital of $5,000 had about $160,000 deposits. It is very doubtful if this enterprising institution could have manufactured credit to the extent of thirty-two times its capital, although the president is what is known in the locality as "a hustler." Judging from the literature issued by his bank, we imagine that he succeeded in bringing in a lot of money which the business men and farmers had lying around in odd places. In fact, the president urged those who had a few extra dollars to put them in the bank, where they would "help the community." Those appealed to evidently had confidence in the bank, or in its manager, and they brought in their small savings until a considerable sum was piled up in the aggregate.

The fact is that banking in the United States is so complex in its nature that any generalizations, however correct in the abstract, will not hold good when tested in the light of actual facts. Many of the commercial banks are savings banks also. Savings deposits are received, and pass-books or time certificates issued for them. But instead of investing these sums, as a savings bank does, the commercial banks use them in their ordinary lending operations. Thus, the deposits received from one person are lent to another. This feature of the banking business, particularly in the West, is of more importance than many suppose.

But this power of augmenting its deposit credits out of other deposits is by no means confined to the country banks. Were it not for the deposits received from out-of-town banks, there would be an enormous shrinkage in the volume of loans and deposit credits of the New York banks. In this case a

deposit precedes the granting of a loan which gives rise to another deposit.

As Mr. VANDERLIP so well said, the chief business of a bank is to exchange its credit for that of individuals. But its power to do this will be affected to an important degree by the deposits received from certain sources. The eagerness shown by the banks—Mr. VANDERLIP's institution among the rest—in securing deposits of Government funds, would seem to indicate that there is a general "misconception" among the banks which causes them to believe that such an increase in their deposit receipts will enable them to expand their loans and thus further augment their deposits.

LORD AVEBURY, who is better known on both sides of the Atlantic as Sir JOHN LUBBOCK, in commenting recently on our financial situation, recommended the establishment in this country of an institution corresponding to the Bank of England.

While there is hardly a remote possibility of the establishment of a central Government bank in this country, certainly, if such an institution should ever be decided on it would not be modelled on the exploded currency principle which Sir ROBERT PEEL and Lord OVERSTONE took as the basis for the Bank of England. We have had too many occasions to compare the workings of the Bank of England with the Bank of France to lead us to take the former as a guide. The Bank of France and the Imperial Bank of Germany are in many respects superior to the Old Lady of Threadneedle Street, whose weaknesses, however, are due not so much to age as to a bad constitution.

Probably, however, we shall copy neither the French nor British bank, but develop some arrangement more consistent with our form of Government and our system of banking.

ATTORNEY-GENERAL BONAPARTE, in an address before the Illinois Athletic Club at Chicago on the evening of December 21, gave utterance to some ideas that are especially pertinent in view of existing conditions in the United States. After referring to the custom which once prevailed in England known as "benefit of clergy," whereby any accused person who could show his ability to read could demand trial by an ecclesiastical court, the Attorney-General said:

"In common, I believe, with all Americans who have ever heard of it, I had always thought 'benefit of clergy' unjust and absurd, but as a result of my experience as Attorney-General I now find that some people think, or talk and write as though they thought, that a similar privilege exists to-day in America for the benefit of certain classes of Americans.

"Now in our country neither the President nor any one else can execute the laws faithfully or execute them at all unless the American people wish them executed. If it be truly the people's wish that any laws or that all laws shall become dead letters whenever rich or influential men find their faithful execution a source of loss or danger to themselves, then such laws cannot be and will not be enforced against such men. But I for one believe firmly that the people have no such wish, and I believe further that practically every one else believes about this as I do; so that the very men who raise these misleading clamors do not, because they dare not, say plainly what they mean and what they think. I believe that if they said this so that it could be understood

they and every one else as well would learn quickly and unmistakably that the people think and wish nothing of the sort. Americans as a nation think their laws are meant to be obeyed by all alike, by the rich no less than by the poor, by the enlightened no less than by the ignorant. Moreover, they wish and intend their laws to be thus obeyed, and that the richest lawbreaker who ever crushed out competition through a 'trust' shall find no greater favors from courts or juries or public prosecutors than the meanest criminal who counterfeits our coins or sends obscene matter through our mails.

"The danger in this respect is that the people may be deceived, and, in fact, I believe that a widespread, persistent, systematic and unscrupulous attempt to deceive the people as to these things has been in progress during the entire official life of the present national administration, and is in progress to-day. According to Aesop, the wolves once persuaded the sheep to send away their watchdogs and trust to the good faith, the magnanimity and the unselfish affection of their lupine friends for their protection. So the watchdogs were given their walking papers, and the sheep soon found out what the future had in store for them.

"Just now the denizens of that great sheepfold the American Union are beginning to turn their thoughts to the grave problem of choosing a head watchdog to guard them for four long years. I cannot help thinking it may aid them in this weighty task to establish, first of all, a negative test of fitness; whatever applicant for the job is viewed with particular favor by the wolves may well be left in his home kennel. Wolves can be trusted to know what they want and to want what the sheep don't want. In plainer language, no man can be safely trusted to 'take care that the laws be faithfully executed' if his choice be longed for and urged by all or many of those who have obstructed the faithful execution of the same laws in the past, and whose influence and resources are formidable obstacles to their faithful execution to-day."

Beneath the apparent optimism of Mr. Bonaparte in asserting that the American people are determined that the rich malefactors shall be punished the same as those of less wealth but equal guilt, there may be detected a vein of irony. The Attorney-General seems rather to be inquiring whether that is the clear intention of the people, rather than confidently and positively asserting that it is so. Has he not good reasons for doubting the popular intention?

During recent years there has been a constant denunciation of the misdeeds of certain persons high in the financial world. The insurance revelations were followed by some polite and apologetic prosecutions amounting to nothing. The Standard Oil people have been officially denounced and fined, but the public treasury has not yet been enriched by the penalties imposed upon the company, while such a rude thing as criminal prosecution has been declared to be impossible. "Immunity baths" have saved most or all the railway or other high-toned evil-doers.

It might be said that the Attorney-General himself, being the officer particularly charged with the enforcement of the laws, is to be censured for failing to secure criminal convictions in these cases. It is rare that any official accomplishes much in this direction unless backed up by public opinion. The enforcement of law, like its enactment, depends upon the popular will.

We have had a further notable illustration of the inability of the law to reach rich offenders by the traction revelations in New York. Responsible

newspapers—not those that thrive by appeals to class prejudices—have denounced the operations of certain magnates as "swindles and robbery," and have given the details so plainly that there is no mistaking their meaning. If these characterizations were untrue, a responsible journal would hardly dare make them: if they are true, the "swindlers and robbers" should receive the same kind of punishment as would be inflicted upon a petty thief. But does anybody believe they will get such punishment, or any punishment at all?

It is said that in New York city for more than a quarter of a century no one charged with murder, who has had money to employ able counsel and to hire expert witnesses, has suffered the death penalty.

This immunity of the rich from punishment is probably not secured by the use of money alone. There exists, without our knowing it, perhaps, a kind of adoration in every American mind for the rich. A plain case of larceny, under the statutes, might be made out against some of our great financiers; but if one of them should be convicted, he would be sympathized with as a martyr.

The rich escape punishment not because they purchase judges and juries, but because the glamor of their achievements, the magnitude of their success, and the splendor of their philanthropies have blinded the public sense of the enormity of their iniquities.

FROM Italy comes the suggestion of an international conference to consider the strained conditions of the world's money markets, and to take some action looking to a better utilization of the world's stock of gold.

Doubts may well arise as to the practical achievements of such a conference, should one be called, although there are many obvious reforms that might be inaugurated if concurrent action could be secured. But the nations of the world are as reluctant in taking any steps to bring about international money reforms as they are in reducing their appropriations for military purposes.

A better understanding among the world's great bankers would, however, be of great benefit, as better understandings always are, and a move in this direction might be made by holding the next annual convention of the American Bankers' Association in London instead of meeting, as usual, at some point in the United States.

FOR many years this MAGAZINE has advocated the use of plain, ordinary common-sense methods by the United States Treasury in the receipt and disbursement of the public revenues. It is now reported that there is a reasonable prospect of the passage of a resolution in Congress suggesting that, under proper regulations, the Secretary of the Treasury may receive certified checks in payment of public dues, the checks to be deposited in public depositories, and the funds drawn on, by check. In other words, that the methods employed by business men universally shall be adopted by the Treasury Department. This is a reform which nearly all students of our fiscal system have long urged. Why it has been delayed until this time is hard to understand.

The Secretary of the Treasury should also be directed to quit using the public funds to aid the money market. While, of course, any action should be avoided that would cause disturbances, the deposit of funds with the banks ought to be made in the ordinary course and at such places, and in

such banks, as would best subserve the public convenience and assure safety. This dribbling of the funds out all over the country, sometimes perhaps to favored banks, or to carry out the Secretary's ideas of aiding business, should be stopped at once and forever. Whatever the intent of such a policy may be, its effect, in almost every instance, has been to favor stock speculation.

The points at which public funds should be placed, and the banks to which they ought to be entrusted, are matters that can be easily determined. The Secretary of the Treasury ought also to be made to realize that the aiding of the money market is no part of his business. The temporary benefits which have sometimes followed his efforts in this direction can not obscure the fact that, in the long run, his action has been the source of great and irreparable injury.

TRUST company functions for banks were favored by Mr. Fowler, chairman of the Banking and Currency Committee of the House, in an address before the Illinois Manufacturers' Association at Chicago on the evening of December 10.

Several years ago this Magazine proposed that the right to do a trust company business might appropriately be conferred upon state banks. Shortly afterwards the State of Texas passed a banking law in which this suggestion was adopted.

We are still of the opinion that there is no sound reason why all state banks should not be permitted to do a trust company business. But we are not so sure that a similar privilege should be conferred on the national banks. True enough, the latter would find it an advantage if they could exercise trust company functions; but in banking legislation the wishes of the banks are not. necessarily, the prime consideration. The public welfare is at least equally important.

Unless the trust company department of a bank is rigidly separated from the banking department, there is grave danger that the assets of the banks will go more and more into stocks and bonds, representing fixed capital, rather than in commercial paper representing circulating capital. It would seem that a part of our banking machinery should be kept as free as possible of further entanglements in the direction indicated.

A state bank, with trust company privileges, would have some advantages over a national bank; but it must be remembered that the latter has a monopoly of the privilege of issuing circulating notes, holding public deposits and acting as reserve agent for other national banks. So that by enlarging the powers of state banks, as indicated, things would be evened up between the two classes of institutions. Besides, if any national bank should become dissatisfied with its lot, it could easily convert into a state bank; or the state bank, should it be dissatisfied, could enter the national system.

ONCE there was a certain political element that depended for success upon a policy of "addition, division and silence." Some of the great corporations, apparently, would like to do business on this plan. One of them, however—the Standard Oil Company—has decided that the policy of silence has been a mistaken one, and in a recent number of "The Saturday Evening Post," John D. Archbold, vice-president of the company, comes

to the defense of the corporation from the attacks made against it in the newspapers and magazines.

There is no doubt that in keeping silence for so long this company has greatly increased the hostility of the public. That policy savored too much of arrogant defiance of public opinion, which is a fatal mistake for any concern to make in a country where the popular will is, practically, the controlling power.

The great Steel Corporation, one of the most gigantic combinations of capital in the country, largely disarmed popular hostility by adopting a policy of publicity, illustrating afresh the financial genius of the man who was largely responsible for bringing about the consolidation of the constituent companies.

The time has gone by when any corporation, however rich and powerful, can assume to defy public opinion. Make friends of your customers, is a good motto for every one engaged in business, and it applies no less to monopolies than to the small retailer who is struggling to build up his trade. Corporations may attain to great power, but there is a superior power that may spring into being at any time. The safest policy is never to provoke the slumbering giant.

DIRECTORS of banks nearly always come in for severe criticism when banks fail, and in many instances these criticisms are justified. An illustration of the inattention of directors to their duties was afforded by the bank and trust company failures which occurred a short time ago in Brooklyn. That these failures were due, in a considerable degree, to the neglect of directors may be seen from the following presentation made by the Kings County Grand Jury in conection with the matter:

"In the course of our investigations into crimes committed in banks and trust companies in this country we have found that the several boards of directors of these institutions are composed of men of high standing in commercial and financial circles and whose names have properly inspired confidence in depositors and have attracted business to the institutions.

We have found that most of these directors have regarded their position as a mere formality; that many of them seldom attend the meetings of the board, and when they do attend such meetings they discharge their duties in a perfunctory manner, showing little regard for the safety and security of the funds of the depositors. Their powers and duties as directors in many instances are surrendered and delegated to some dominating member of the board, and the board simply ratifies his acts without thorough investigation or objection. These careless methods on the part of the directors have given opportunity for crime, fraud and gross mismanagement.

We therefore take this opportunity to criticise the inattentive manner in which such directors have customarily discharged their duties, and we recommend that the banking laws of the state be revised and amended so that they will in greater detail, and as specifically as may be, define the duties and obligations of directors, both as regards the stockholder and the depositor in all banks and trust companies, and it also appears to us that these obligations and duties, having been clearly fixed by the statute, it should be made a penal offence for any director or directors to wilfully disregard the same."

If the obligations imposed upon directors are made too severe, it will de-

feat the purpose of such legislation, inasmuch as it will cause men who are careful of their reputations—in other words, the best kind of men—to hesitate in accepting positions as bank directors.

A director ought to be required to exercise no more than reasonable supervision over the affairs of his bank, and this would, in most cases, prevent disastrous failures. Any man who does not understand his duties as a director, or is unwilling to perform them, should have no place in the directorate of a well-managed bank.

WHAT is to be the programme of "the interests" in the next Presidential campaign? They have evidently been greatly encouraged by the late financial revulsion, which they have ascribed to the activity of the President. The one event that probably did more than anything else to precipitate that catastrophe—the disclosures of the traction rottenness in New York —can not be charged against the President. The doctor who reveals to us our diseases and tells us that safety can be assured only by a change of habits, does not bring a welcome message; yet the wise man follows his advice.

That "the interests" will make a bold fight to elect a man who will offer no resistance to their schemes is certain. They are already plucking up courage, assuming that the recent panic will cause the people to desire a reversal of the policy followed by the President.

How bitterly President ROOSEVELT is hated in certain quarters was clearly shown by an article in the New York "Sun" of December 6, entitled "The Passing of the Panic and the Occasion for It." From this attack we make but two quotations:

"Of Mr. ROOSEVELT's proficiency in the arts of the politician, in the worst significance of that word, he has left us no room for doubt. A more conscienceless or more reckless demagogue never afflicted this country. * * * No ray of business intelligence ever entered his brain or ever can enter his brain."

The American people know where lies the responsibility for the distrust of the high financiers, and whoever the Presidential candidates may be, or whichever party may triumph, the work of reformation inaugurated by THEODORE ROOSEVELT will go on. It may be checked for a time, but the evil conditions that will grow up meanwhile will only call for a stronger and more unrelenting fight against them when the contest shall be resumed.

HUMOR, of an unconscious sort, is lent to the discussion of banking problems by an editorial in the New York "Sun" of December 19 under the head of "An Intrusive Official." The article severely criticises Comptroller RIDGELY for pointing out the faults in our banking system. "Mr. ROOSEVELT," it is said, "does not denounce it," and "Secretary CORTELYOU does not condemn it." Mr. RIDGELY is referred to as "a financial suckling."

That the Comptroller of the Currency, who comes of banking ancestry, and who has for over six years been gaining a knowledge of our banking system by experience and study, should have opinions on this subject when the President and Secretary CORTELYOU are silent, is indeed an amazing piece of official presumption!

Let it be said to the credit of the President and the Secretary of the Treasury that neither has pretended to

any special knowledge of banking and finance. Comptroller RIDGELY has shown by the administration of his office, by his official reports, and by his addresses, that he has a sound knowledge of banking and currency matters. His experience and study and his wise judgment combine to make him one of the country's safe authorities on the principles that should govern our currency and banking systems.

We can not approve of his advocacy of a central Government bank, which we regard as neither practicable nor desirable; but his right to propose such an institution in his official reports is unquestionable.

In its criticism of the Comptroller's arrangement of our banking system the article referred to says:

"While such statements are unquestionably permissible in the case of WILLIAM B. RIDGELY, private citizen of the United States, there is assuredly a grave impropriety in their public utterance by WILLIAM B. RIDGELY, the Comptroller of the Currency in the Treasury Department. An official report is supposed to be a statement of what has been done. It is not supposed to be a public arraignment by a subordinate official of the acts and the policies of his superiors."

Evidently the writer of the above had not read section 333 of the Revised Statutes, which says that "The Comptroller of the Currency shall make an annual report to Congress, at the commencement of its session, exhibiting * * * any amendment to the laws relative to banking by which the system may be improved and the security of the holders of its notes and other creditors may be increased."

The plain mandate of the United States Statutes makes it the duty of the Comptroller of the Currency to propose such amendments to the law as, in his judgment, will improve the banking system. And in making these recommendations he is not bound to ask permission of his "superiors," for the simple reason that the law itself is superior to anybody.

STOPPING BANK RUNS.

THAT banks resort to various devices to stop the clamors of depositors is well known. Some of these devices are thus described by the Harrisburg (Pa.) Telegraph:

"Some amusing anecdotes are being told of the devices resorted to by bankers to gain time and inspire confidence. On one memorable occasion the excited depositors of a Chicago bank, much to their indignation, were only able to enter the bank one by one except at the cost of spoiled coats, as the cute manager had caused the doorposts to be freshly painted.

"Another bank prevented a crisis in its affairs by exhibiting in the windows large tubs apparently brimful of sovereigns. These tubs, however, simply were upside down, and only a small quantity of gold was piled up on their bottoms.

"But the most ingenious dodge of all was successfully carried out in Buenos Aires recently. There was a run on a large bank and for several days subscribers besieged the premises, withdrawing money and placing it in another bank on the opposite side of the road. It happened, however, that these two institutions had a private understanding, and as fast as the 'safe' bank received the deposits they were returned to the 'un-safe' one by an underground passage, with the result that everyone marveled at its continued ability to meet its demands."

UNPALATABLE MEDICINES.

THERE is no medicine for a fool. —*New York Sun.*

No; but, thank God! there is medicine for knaves, and they will have to take it, whether they like it or not.

NECESSITY AND ADVANTAGES OF TRAINING FOR BUSINESS.

By John A. Luman, Vice-President Peirce School, Philadelphia, Pa.

EDUCATION and progress, commerce and civilization, go hand in hand; their existence is coeval. Education and commerce are twin sisters, the forerunners of progress and civilization; they are the factors and forces that retard or develop national prosperity, unity and strength. Wisely directed, their blessings are legion, for they form the only solidarity of countries composed of many nationalities, tongues and castes. But too often people are entirely satisfied with beneficent results, and in no wise concern themselves about the active, potent, productive forces. This works well as long as people reap the benefits of a well-directed past, and escape the dire consequences of the inertia and misdirected forces of the present; but the evils are as surely visited, as the sins of the fathers, on coming generations. People who care for their children, their country or mankind, are duty bound to understand the forces that make for weal or for woe. In a few brief words Dr. Arnold succinctly states the importance of one of these vital forces: "All who have meditated on the art of governing mankind have felt that the fate of empire depended on the education of youth." As the study of the rise and fall, growth and decay of nations reveals this fact, it becomes the nation's most serious problem; and every lover of country, no matter what his station, is interested in its solution.

Education Must Conform to Modern Life.

While all true education aims at the perfection of individual powers, yet to determine upon a system of training and materials that will best conduce to the welfare of the individual and of the nation requires an extended knowledge of the commercial, industrial, social and economic life, as well as a knowledge of pedagogy. It is an indisputable fact that there can be no one best system of education for all nations, or for any nation for a considerable time; but it is likewise an accepted fact that systems of education to be efficacious must conform to modern life; consequently require frequent adjustment and adaptation to the ever-changing conditions.

The history of education has been a succession of changes, modifications, adaptations, a constant re-forming of the studies, giving more emphasis to one and less to another, and adding new subjects as the exigencies of the times demanded. By a study of the activities of the respective ages, we discern the close relation of education in each period to the existing life, and observe that it was often limited to a class that added little to the material comforts. In one age it served the dominant military spirit; in another, the clergy, the aristocracy and the governmental classes. Then commerce, manufacturing and business, such as they were, were considered fit occupations for slaves only; but with the growth of the democratic spirit came the era of popular education. The masses soon learned they could become more than menials contributing to the welfare and comforts of others; that they could become the silent conquerors of their circumstances and conditions. They learned, too, how to utilize and appropriate their talents and environments to the chief end of their existence; and this is, and necessarily must be, the purpose of education —to make life more worth living, to increase its usefulness, and to enlarge its service.

Deeply-rooted prevalent ideas and notions were eradicated by this spirit, and the good results were borne along by the general dissemination of knowledge, and on the wings of science. The

force of the latter has been felt in all fields of investigation. It came, not as a destroyer, but as the servant of man. It demonstrated the power of mind over matter, and converted the dread and dangerous forces, electricity and steam, into pliant tools, economizing human effort and increasing human happiness. As the rising sun drives out the impenetrable darkness, so science has dispelled ignorance and superstition, conserved man's energies and multiplied his powers. These changes wrought by such mighty forces have revolutionized the processes of manufacturing, transportation and business, upon which every class of society must depend.

These are of the useful arts, interlaced with the lives of all—not simply arts that may be, but that must be practiced for the good of all. If these ever were imitative arts, as some educators, unacquainted with their principles and laws, are wont to believe, they now cover a range and scope of human knowledge so extensive that the greatest care must be exercised in selection and formulation to make them profitable school studies. Unfortunately, the absorption of business to the exclusion of any interest or time for literary work, has left in many instances incomplete history, yet much of interest and value can be learned by studying the customs, laws and methods governing trade and production in former times, and contrasting them with those now in vogue. If the simple systems and laws out of which the complex have grown, are well understood, then modern laws, systems and combinations can be more readily grasped in their intricacies and traced in their multiform ramifications. But the study of laws and principles should be made with a view to their application to existing business conditions and development.

Education a Preparation for Usefulness.

Herein lies the necessity for practical training. Education cannot rightly stand for one thing, and the life to be lived for another. The two cannot move in opposition; they must move in conjunction. There must be a close relation, a nice adjustment of the school work to the life work; for to-day, more than ever before, it means a preparation for usefulness. Education of whatever nature which predicates the future life work must, in a large sense, be practical. This is obvious now to those in learned professions as well as to those in the counting-houses.

Commercial education helps to supply the missing link occasioned by modern conditions and the decay of apprenticeship; and, at the same time, improves and dignifies business vocations. It is gradually overcoming the traditional prejudice of the scholar as to its educative value, and the inherent prejudice of the business man as to its practical utility. This change in sentiment has come through the evolution of commercial training, which clearly demonstrated both its mental discipline and its practical benefit. It eradicated the old notions that business is out of the realm of the educator, or unfits its recipient for such activity. People no longer *grow* into business, they *prepare* for it.

This special preparation is not intended to supersede a general education, but to supplement it and give it a more extended and useful application. The laws of business and trade, which are as fixed as those of physics and other practical sciences, require trained minds for their comprehension. Commerce and business are sciences, as well as arts, involving logical reasoning and mathematical exactness. While a practice of the art in the studies of bookkeeping, figures, banking, shorthand and other kindred subjects, furnishes habits of dispatch, accuracy and precision, a study of the operations, organizations, laws of business, modern languages, political economy, economics, commercial geography and history of commerce affords a high order of mental discipline, and is an immense gain in the value of the knowledge.

Whatever has been said as to the bad results of commercialism, commerce and

business are worthy of the brain and skill of the country's best men. They have been the advance agents and friends of culture and civilization, the promoters of industry, thrift, and happiness. Every factor that contributes to their healthy growth and expansion should be nurtured and fostered. They represent, not simply the material comforts of life, but the *dominant* spirit of the age to which education should conform and which it should direct.

Business the Governing Spirit of the Age.

Since the governing spirit of the age is business, the leaders should be men of learning, which is the only panacea for the ills of which we complain and the hope of better conditions. For ages the higher education of universities and colleges has been concentrated on the liberal professions, consequently the marts of trade had to be recruited from the army of young men who lacked such advantages. Under such conditions we need not wonder that materialism, with its concomitant ills, should be the dominant motive of business. To our higher schools is at least chargeable the indifference and neglect which produced it.

In other countries, not so rich in natural resources, it has meant loss of trade and influence. A French writer sums up the state of affairs in France, where education is doled out in a monotonous uniformity regardless of modern demands, in these words: "The liberal professions have the monopoly of higher education in France. University men wish to wear the toga of the advocate, the sword of the soldier, the pen of the journalist and literary man. They disdain the wider, more remunerative, more socially useful, perhaps, though less socially considered paths of trade. The professions, alas! are crowded to suffocation. The number of briefless barristers and feeless doctors is enormous."

Importance of the Work to Be Done by Commercial and Business Schools.

This offers a most convincing argument for the adaptation of education to modern life. Into business and commercial pursuits is marching every year an increasingly large army of the best blood of the nation, that must be prepared for its work. The most difficult problems affecting the economic and political life of the country are those involved in business and commerce, and mistakes in these react unfavorably on a community and a nation. Upon the recruiting stations, the commercial and business schools, will depend largely both their success and business progress. Such schools have made the Germans a great commercial people and are destined to be great factors in our development and expansion. Our best schools, though less scientific than the German schools, combine with the technical and practical work general courses of study. This combination peculiarly meets the needs of those deprived of high school or university courses.

In spite of the old tenets of education, and in the face of much bitter opposition, the American business school blazed the way for this training, and now higher institutions can no longer disregard the appeals of the public for this vital instruction. They have long recognized that the greater number of their graduates no longer follow the learned professions, but enter business life, without any adequate equipment. They admit, too, rather reluctantly, that business is a highly intellectual vocation; and its sole object is not sordid gain, but useful service. Among the first to establish such schools were the University of Pennsylvania and the University of Wisconsin, and in the last address of President Eliot to the Harvard Alumni appear these words: "We plan to establish a school of business, open only to persons who have already obtained the degree, which will give, at least, two years of instruction in all scientific parts of business."

It is a proper recognition on the part of these institutions of the importance of business and the necessity of such instruction; but it lays too much stress on scholarly attainment, and takes no cognizance of individual aptitude. Since only those who had obtained the degree could continue the study of scientific instruction in business, very many peculiarly adapted to business callings, perhaps with adequate scholarship, but not the degree, would be debarred. Scientific knowledge is all-important in that it gives broader view, clearer understanding, and lays a sure foundation for right business development; but, in order to make this knowledge serviceable, it must in some measure combine the practice of the art.

In co-ordinating practical subjects to produce mental discipline, and to give the requisite skill and efficiency for business, two grave errors must be avoided. One is to disregard the modern cultural studies and to unduly emphasize the vocational—in other words, to aim simply at clerkship; the other, equally bad and misleading, is to minimize the study and practice of the vocational studies, and to place undue stress on the general and scientific studies—the ultimate end of which purports to be a business head. In each case the result is an educational misfit. In the first case the individual is trained for the immediate necessity without any regard to his future possibilities, and is limited in both ability and skill; in the second instance, the young man knows little or nothing of the technique, the details, the thousand and one little but essential things, that go to make up a great business, and finds no way to apply his general principles of economics, law and finance. It must be remembered that a little practice of an art, as well as a little knowledge, is a dangerous thing. A man who does not understand a financial statement, or the minutia of business, is at the mercy of his assistants, and unfitted for the councils of a directorate, or the larger responsibilities of business.

As to the contention that the related parts and details of a business must be learned in the business itself, the business schools have disproved this by the introduction, not simply of appliances, but of the most important institutions. Here the student of business works with materials, as the chemist in the laboratory, and gains such an insight into and knowledge of the anatomy, functions and articulations of the parts of a business as no other line of instruction, however effective, could furnish. He is then not only able to perform the part well, but sees it in its relation to other parts, and to the business as a whole. This training is of incalculable benefit to anyone aspiring to business callings, for it can be readily transmuted into achievements and accomplishments, the real test of value.

Training Essential to Success in Banking.

An institution occupying a peculiar relation to all lines of activity is banking, which makes it imperative for a young man entering commercial, or even professional life, to be familiar with the customs and operations of these institutions. No one can hope to meet even with favor without such knowledge. The bank occupies the same relation to the business world as the commissariat to the army. Foolhardy, indeed, is the general who risks battle without the sinews of war at his command; unsafe and dangerous is he who attempts the struggle of business without the munitions of commerce. In the battle for trade with other countries, we lose or win in proportion to our banking facilities. With confidence goes credit, without which business cannot be transacted.

The business of the large and the small concern, corporation, partnership, and individual is transacted through the bank. It is not only the depository, but the active agent in collecting bills, and extending credit; it keeps in motion the wheels of industry, promotes and increases trade, and preserves national and individual credit. It is the mighty,

silent force that encourages industry and thrift, and develops honesty and reliability. A man cannot afford to permit his paper to go to protest, or fail to keep his word. A factor so potent, so useful, so dangerous if wrongly used, should be understood by those directly and indirectly concerned, by depositor as well as borrower.

To the young, ambitious man with a love for figures and finance, and a well-defined plan of life, these institutions offer rare inducements; and a training which gives the inside view, as well as the outside, paves the way for a successful career. Merit is taking the place of influence, and even influence cannot answer for incompetency. The results of a good training will show in the end. He may go from the school to the most humble position in the bank, but when asked for information, his thorough and extensive knowledge of the operations and laws of banking will win confidence, the first step to promotion. It will soon be discovered that he was not attracted to the calling by short hours and palatial surroundings, nor even the prospect of making money; but by a burning desire to be a good banker in all that the name implies. In addition to his course, he continues to study, what no school can supply, however good or extensive the course, the characters of men, the wants of the community, trade conditions, industrial plants, the processes of manufacture, thereby gaining an invaluable asset for the future. By dignifying the humble place, he wins the responsible and more important.

Trained men for banking and business vocations are a great advantage to the country as well as to the individual. Failures in banks and in business are often attributable to deficient education. In addition to sterling qualities of character, which every man must possess who dares hope for success in business, he must be intelligent and efficient. Above all things he must be honest, but honesty will not serve for intelligence and is no excuse for ignorance. An ignorant honest man, though less culpable, may be as unsafe as a rogue. A new order of things has come to pass demanding a new equipment; and upon the business and commercial schools will devolve the grave responsibility of producing the new type of business man, trained and equipped to meet these conditions.

A PEANUT PANIC.

PANIC manifests itself in odd ways. Probably the most grim-faced body of female suffragists that could be assembled would be stampeded by the appearance of a mouse, while the announcement of free drinks would create a panic among a political convention composed of male patriots.

From Aurora, Illinois, a name suggestive of light, comes the following particulars of a curious panic which took place there, as reported in a newspaper dispatch:

"A riot almost took place in the Coliseum here to-day when Dr. Thomas J. Allen, who is trying to exist sixty days on an exclusive diet of peanuts, threw a 100 pound sack of the goobers into the audience to be scrambled for. The bag burst and there was a rush for the peanuts which developed into so serious a scrimmage that the police had to be called in to quell the disturbance. There were many bruised limbs and bumped heads, but the police finally restored order. The whole city is peanut mad, or, rather 'monodiet' mad. The townspeople are divided into factions, some favoring peanuts, others beans and others eggs. Public meetings are held by the adherents of the several factions, and the debates draw persons of every profession."

Those who favor eggs are evidently working in the interests of the Chicago individual who is trying to corner that useful but expensive product, while the bean advocates are just as plainly inspired from Boston. The truly patriotic are all for peanuts.

THE man who is assaulted and robbed of his last penny is knocked cents-less.—*Philadelphia Record.*

LIABILITY OF BANKS FOR REFUSAL TO PAY CHECKS IN CURRENCY.

By Eugene H. Angert, of the St. Louis Bar.

THE present extraordinary financial conditions have given rise to much discussion as to the rights of depositors and corresponding liabilities of banks where payment of the depositor's checks in currency is refused. What legal liability a bank incurs upon refusal to pay currency has become a matter of sufficient general interest to warrant a statement of the law upon the subject.

Relation of Banks to Their Depositors.

It is a universally recognized principle of law that the relation between a bank and its depositor is that of debtor and creditor. Every deposit constitutes a loan to the bank, which is repaid to the extent that the depositor's checks are honored. But the relation is something more than the ordinary relation of debtor and creditor, for the courts have always held that there exists a contractual duty on the part of the bank to pay the amount due, in whole or in part, to anyone presenting a check or written order of the depositor. In other words, the obligation is not merely to pay the debt, but to pay it from time to time in such amounts as the creditor may desire, either to the depositor himself or to any party presenting an order, commonly known as a check, from the depositor therefor.

Checks Must Be Paid in Legal Tender.

It is also the law, in the absence of any understanding to the contrary, that checks must be paid in legal tender. (Morse on Banks and Banking, sec. 447.) The depositor can refuse to accept payment in any other form than legal tender. Of course, if he waives his right by accepting cashier's checks, clearing-house certificates or any other substitute for cash, he cannot complain. But assuming that the depositor or holder of the check insists upon payment in legal tender and is refused, the question then arises, How far can he hold the bank liable?

No cases are found reported in which the suit was based upon the bank's refusal to pay in legal tender where it admitted its indebtedness and offered payment in some other form. But the law that applies to such a situation can be gathered from the principles declared in cases that have arisen where the payment of checks was refused for other reasons, and of such decisions there are quite a number. The failure to pay the depositor's checks in the reported cases has been, in most instances, due either to a mistake of the bank in not properly crediting deposits or to the mistaken belief of the bank that it had a right to use the deposit in payment of an indebtedness due it from the depositor. The reason for the refusal, however, plays little or no part in these decisions, because the right to recover in any case supposes that the bank was legally obligated to pay the check. And although it might be said that banks have a moral excuse at the present time for their failure to pay in currency or legal tender, yet present conditions offer no legal excuse for their failure to keep their contracts, and their liability is as clear as in case of their unqualified refusal to pay based upon a mistake or upon any other reason that the law does not recognize as sufficient.

It is clear that in every case where payment of a depositor's check in currency is refused, he may maintain an action against the bank and will obtain judgment for the amount of his check with interest and costs of suit if the bank still withholds his funds. The practical question is, What additional damages, if any, may he recover?

It has been generally held that if the person whose check is dishonored is a "trader," that is one engaged in business, he may recover substantial damages to represent the loss of his credit and business standing resulting from the dishonor of his check. No evidence that his credit has suffered need be offered, but the law presumes that his credit has been impaired and leaves it to the jury to fix the amount of damages. The law relating to damages of this character is well expressed in an Illinois case, where the court said:

"It is well understood that in an action of slander by a person for the speaking of slanderous words of him in the way of his trade, the fact that he is a trader takes the place of special damages. To return a check marked 'refused for want of funds,' to the holder, especially through a clearing-house, certainly tends to bring the drawer of that check into disrepute as a person engaged in mercantile business; and it needs no argument to show that a single refusal of that kind might often, and frequently does, bring ruin upon a business man: and yet it is no more possible in either case to prove special or actual damages than it is for one charged with the commission of a crime to show specifically in what manner he has been injured." (Schaffner vs. Ehrman, 139 Ill.109.)

The amount of damages awarded by the jury would in such cases seem to be the result of pure guesswork, and recognizing this fact the courts have usually attempted to limit such arbitrary judgment by stating that the plaintiff could recover "substantial yet temperate" damages, and judges have not hesitated to enforce the "temperate" feature of the rule by cutting down the amount of the jury's award. (Marzetti vs. Williams, 1 Barn & Ald. 415; Fleming vs. Bank of New Zealand 1900 A. C. 577; Rolin vs. Stewart, 1 C. B. 594; Boyd vs. Pitt, 14 Tr. C. L. Rep. 43; Bank vs. Importers and Traders' Bank, 119 N. Y. 195; Clark Co. vs. Mt. Morris Bank, 85 N. Y. App. Div. 362; James Company vs. Continental National Bank, 105 Tenn. 1; Wiley vs. Bunker Hill Nat. Bank, 183 Mass. 495; Atlanta National Bank vs. Davis, 96 Ga. 335; Birchall vs. Third Nat. Bank, 19 Cent. L. J. 390; Metropolitan Supply Co. vs. Garden City Banking Company, 114 Ill. App. 318; Lorick vs. Bank, 74 S. C. 185; Wood vs. Am. Nat. Bank, 100 Va. 306; Mt. Sterling Nat. Bank vs. Greene, 99 Ky. 262, Patterson vs. Marine National Bank, 130 Pa. 419.) The foregoing and the other cases herein cited comprise practically all of the decisions on this general subject.

It has been held that a farmer is not a trader, and consequently, there being no presumption that he has suffered loss of credit from the dishonor of his check, he can recover only nominal damages. (Bank of New South Wales vs. Milvain, 10 Victoria, L. R. 3 [Law].) It would seem that the restriction of the right to recover for loss of credit to one engaged in mercantile business is open to criticism, as the professional man, farmer or retired capitalist suffers appreciably, even if not to so great an extent as the trader, from the slander of his credit.

Refusal to Pay Based Upon Temporary Rule.

In most of the decided cases no damages other than for loss of credit have been claimed or given, and it will be readily recognized that damages of this character cannot be given in suits growing out of the present banking situation. The refusal to pay at the present time is not based upon the customer's want of funds, but upon a temporary rule of the bank not to pay any checks in currency. A refusal so generally understood and so universal in its application to depositors can in no wise impair the drawer's credit.

We find, however, that the courts have not in all cases limited the depositor's damages to compensation for his loss of credit, and it is to these cases we must look for the rules of law applicable to the present inquiry.

How Damage Is Fixed.

As before stated, there exists between the depositor and the bank a contract

which, though implied from course of business, is as binding as if in writing, to the effect that the bank will pay the depositor's proper checks from time to time to the extent of the funds due him. The wrongful dishonor of his check is a breach of this contract for which he may recover as in any other case of contract such damages as may fairly and reasonably be considered, according to the usual course of things, as arising from such breach of contract, and such damages as may reasonably be supposed to have been in the contemplation of both parties at the time they made the contract as the probable result of the breach of it. This rule of damages prevails generally in actions of contract and is not peculiar to this class of litigation. Its application to the present situation can be best made by referring to some of the cases that have arisen.

In a Nebraska case (Bank of Commerce vs. Goos, 39 Neb. 438) payment of the depositor's check was refused because the bank wrongfully claimed the right of charging his note against the account. The check had been given to the city treasurer for taxes, who, upon its dishonor, had the depositor arrested for obtaining tax receipts upon false pretenses. The court held that no damages could be given for the arrest since the arrest was not the natural result of the refusal of the bank to pay the check but damages could be awarded for his loss of credit arising from the dishonor of the check. The arrest was a remote and unusual consequence and not such as would ordinarily arise from refusal of a bank to pay a depositor's checks.

In a Kentucky case (American National Bank vs. Morey, 113 Ky. 857) the plaintiff, a woman, had a deposit in a Louisville bank, and while staying in Chicago gave a check for $30 in payment for music lessons, which was returned marked "has but $12 to her credit." The bank improperly refused payment of her check, because it claimed the right to use her funds in payment of her husband's indebtedness. She sued for the amount of her deposit and for $1,000 damages, stating she was amongst strangers and was mortified by the dishonor of her check; that her credit was injured; that she had a nervous chill, and had to be taken to her home in Louisville. The bank paid the balance after suit was begun, and the jury gave her $600 damages. The Supreme Court held upon appeal that she should be permitted to recover for loss of credit but not for the mortification or the nervous shock she suffered, and sent the case back for a new trial, saying:

"The fact that the plaintiff had a nervous chill when her check was protested and returned to her and had to be taken back to her mother-in-law's, was immaterial, as the nervous chill was not the natural result of the protest of the check, or such a thing as should be reasonably anticipated from persons of ordinary health and strength. On the contrary, the plaintiff may recover for any time she lost, or for any expense she incurred or for any loss of business or instruction she sustained by reason of the dishonor of the check."

In a subsequent trial of the case in which the jury were instructed to award damages in accord with the above view of the law, a verdict of $500 was given and sustained upon appeal. (Amer. Nat. Bk. vs. Morey, 80 S. W. 157.)

Bankers who have been obliged recently to deny their customer's requests for currency will readily agree that nervous shock and mortification have been the most apparent, if not the only, result of their refusal to comply with such requests, and they will doubtless find comfort in the knowledge that such nervous shock and mortification to customers are not attended with legal liability on their part.

It has been held, however, in a New York case (Davis vs. Standard National Bank, 50 N. Y. App. Div. 210) where the suit was not an action of contract but one in tort based upon the wrongful and malicious dishonor of the customer's checks, that the mental suffering and anxiety caused by loss of

credit was a proper element of damage to be considered.

It should be noted that the court in the above quotation permits a recovery for any expense or "loss of business" resulting from the dishonor of the check; but it is believed that the rule is too broadly stated, and that recovery should be limited to such damages as naturally flow from the refusal. Many instances will readily occur to the reader where loss of business might result from the non-payment of a check, and yet not be a natural or reasonably-to-be-expected consequence thereof.

To make a practical application; suppose a manufacturer cannot get currency upon his check from his bank, and as a result of not being paid in currency, his employees quit work. The attendant loss of business would, it is believed, not be recognized by the courts as a proper element of damages in a suit by the manufacturer against the bank. It is too remote and not such damage as the bank ought to have contemplated would result from its failure to honor its depositor's checks at the time the deposit was made. Nor would notice to the bank of the possible loss at the time the check was presented aid the manufacturer, for it is the rule of law, and this should be remembered as an important factor in all cases, that the measure of damages is fixed by what the parties should have contemplated as the probable result of a failure to perform at the time the contract was entered into, that is when a deposit was made, not at the time the contract was broken by the bank's refusal to pay.*

Further illustration of the fact that any "loss of business" cannot be recouped in a suit against the bank is to be found in a Victoria case (Dyson vs. Union Bank of Australia, Lt., 10 Vict. L. R. 106 [Law]) where the customer had contracted to enter into a partnership, and having agreed to pay £100 down, drew his check for that amount. The check, being wrongfully dishonored by the bank, the partnership was terminated, and plaintiff sued the bank to recover the profits that he would have made therefrom. It was held that the loss of partnership was a consequence too remote upon which to base a recovery. A somewhat similar situation has recently come under the writer's notice where a customer demanded currency for his check in order to make payment upon an option. Had the refusal of the bank resulted in a loss of the option and the possible profits therefrom, it is believed such damage would be likewise considered too remote. Of course, the depositor could in any case, by giving notice to the bank at the time he made the deposit of any special purpose for which he intended to later withdraw the funds, make the bank liable for losses for which otherwise he could not obtain damages. (Hadley vs. Baxendale, 5 Ex. 341.)

Depositor Can Recover Premium Paid for Currency.

An English case (Prehn vs. Royal Bank of Liverpool, L. R. 5 Ex. 92) rests upon a state of facts peculiarily pertinent to the present inquiry. The plaintiff drew certain bills of exchange in Alexandria upon the Bank of Liverpool, which the bank had agreed to pay. The bank notified plaintiff that it could not meet the bills, and plaintiff was obliged to pay 2½ per cent. premium for currency to meet the bills. This premium amounted to £548, and plaintiff sued and recovered that amount. Under that decision, if a depositor, upon the bank's failure to supply currency upon his check, purchases currency in the market, he could undoubtedly recover the amount so paid as premium. No court would hold that the loss thus incurred for the purchase of currency was not the natural result of the failure of the bank to pay currency upon demand. The premium

* All consideration of the difference between the measure of damages in actions of tort and contract has been avoided in this paper, such discussions being thought too technical to interest others than the legal profession. The latter will find the cases collected in a note to 5 L. R. A. [N. S.] 870.

paid for currency is the kind of damage most generally incurred at the present time, and except in rare instances, seems to be the only loss that the banks could be called upon to make good as a result of their failure to pay checks in currency.

Another pertinent case (Brooke vs. Tradesman's Nat. Bank, 69 Hun, 202) although only a decision of a lower court, was a suit in New York brought by the receiver of a store for the bank's improper failure to pay a note made by the owner of the store. Of course, upon the question of damages, the failure of a bank to pay the note or draft of a customer, which it is obligated to pay, calls for the same legal conclusions as the failure to pay a check. It appeared that upon non-payment of the note, creditors of the maker, according to an agreement with him, immediately entered judgment for $8,000, and the sheriff took charge and retained possession of his store for three weeks, which ruined his business. The receiver thereupon sued the bank for $50,000 damages. The court held that the damages claimed were too remote, and plaintiff could not recover, saying:

"It is undoubtedly the rule that the refusal to pay a check upon presentation gives the drawer a right of action in case he has funds in the bank to meet the check and the refusal to pay was without authority, and that the measure of damages will be the amount of the actual loss the party has sustained; and that the damages which may fairly and reasonably be considered as naturally arising from the breach of contract according to the usual course of things are always recoverable. In applying this rule to the case at bar how can it be claimed that because the bank neglected to pay the note of Rogers of $517.51, he having on deposit with the bank at the time $611.08, the result which in the usual course of things would follow was the immediate entry of a judgment against Rogers for over $8,000 and the seizure of his business by the sheriff? The condition of things arises because of an agreement made between Rogers and his creditors, of which the bank had no notice, and which they had no reason to suppose existed."

While agreeing with the decision, it cannot be said the ruin of a depositor's business by a bank's failure to pay his proper checks would not be compensated in any case. For where a stock-broker was unable to meet his obligations by reason of the improper refusal of a bank to pay his checks and was suspended from the stock exchange, a verdict in his favor on account of the injury to his credit for the sum of £2,900 was upheld by the Supreme Court of Victoria. (Dean vs. Melbourne, etc. Corporation, 16 Vict. L. R. 403.)

The possibility of the ruin of a depositor's business resulting directly from his failure to get funds due him from the bank presents the most important practical phase of the present situation. In most instances the attendant loss of business to a manufacturer or business man would be considered by the courts too remote a consequence of the bank's action; but where the depositor is likewise a bank, the loss might well be treated a proper matter for damages. Suppose a country bank presents its check to a city depository and is refused currency, and in a subsequent suit it is shown that the amount of currency demanded would have prevented a run on the bank and its suspension; would not the court say that the injury to the country bank's business was such a loss as under the rules of damages should be compensated for?

In other words, when the city bank accepted the deposit ought it not to have considered that a probable and natural result of its failure to pay the deposit in critical times would be the suspension of the bank? It would seem that the character of the depositor's business makes the liability for ruin of his business much clearer in the case of a bank than of any other depositor. No case has been found in which such a situation is presented, and

in fact the decisions which are herein discussed comprise all the cases that shed any appreciable light upon the subject under discussion.

The nature of the subject prevents any general statement of a bank's liability. As in all cases of contracts, the extent and nature of the damages allowed depend upon the particular facts of the case. The principles of law to be applied are well defined, but their application to new states of fact is one of the difficult questions confronting the courts. Since the amount of the verdict to be given in any case is a matter for the jury, subject to the discretionary power of the court to reduce the amount or set it aside as excessive, it would seem that the good faith and proper regard for the interests of all their depositors, which requires a bank to withhold payment in currency, would induce a jury and the court to abundantly temper justice with mercy, so that a plaintiff, although entitled to recover compensation under proper construction of the law may in any given case find his victory an empty one.

INSURANCE OF BANK DEPOSITS IN OKLAHOMA.

An act has been passed by the Oklahoma Legislature, and approved by the Governor on December 17, 1907, providing for the insurance of deposits in state banks. This is to be effected by establishing a depositors' guaranty fund, created by assessing against the capital stock of the banks an amount equal to one per cent. of the average daily deposits (less the deposit of state funds properly secured). Upon the failure of a bank depositors are to be paid in full, and when the cash of the bank is insufficient for this purpose the guaranty fund may be drawn on, and additional assessments, in accordance with the act, may be made, if required.

It will be interesting to watch the practical operations of this law. Contrary to the general belief, the "insurance" of bank deposits is not a new idea. That is the aim, to some extent, of the National Banking Act and of the banking laws of most of the states. The surplus fund which banks are required by law to create and maintain is designed chiefly for the depositors' protection.

A safety fund was provided for in a law passed by the New York Legislature in 1829. It did not prove successful in operation. The fund would have been large enough to pay the noteholders of insolvent banks, but it was insufficient to pay all their debts.

The idea of insuring bank deposits seems to have been borrowed originally from China, that nursery of so many "modern" notions. Besides the experiment unsuccessfully tried in New York, it will be recalled that about a quarter of a century ago a company was formed to carry out a deposit-insurance plan. It failed because the Comptroller of the Currency decided that national banks could not legally invest their capital or surplus in the stock of the company.

In The Bankers Magazine for April, 1901, Charles T. Raymond of Lockport, N. Y., made a suggestion that the banks form a mutual guarantee association for the insurance of deposits. For several years before and since that time the proposal to insure depositors against loss has been discussed in all its phases in these pages.

The unsuccessful experience in New York shows that the tax necessary to provide a safety fund to afford adequate protection to depositors will have to be much larger than would be required for the protection of noteholders. Why this is so may be readily understood when it is recalled that the individual deposits of the national banks are about five times the capital, while the circulation is several hundred millions less than the capital. If the tax imposed is not sufficient to pay all deposits of failed banks, the whole scheme will be discredited; and, on the

other hand, if the fund is made large enough for this purpose it will place an onerous tax upon the solvent and well managed banks to support those that are badly managed and become insolvent. Of course, this tax will be shifted by the banks on to their borrowers, and thus the business community at large will be called on to foot the bill.

PROGRESS OF THE UNITED STATES.

"STATISTICAL Record of the Progress of the United States, 1800-1907," is the title of a publication just issued by the Bureau of Statistics of the Department of Commerce and Labor, and while composed exclusively of columns of figures, the record of progress which it shows for the United States and its industries and commerce is extremely interesting. Among the many interesting facts which it presents is that the money in circulation in the United States on July 1, 1907, was 2,773 million dollars, against 2,736 millions in 1906 and 1,640 on the corresponding date of 1897 a decade ago. Deposits in savings banks are set down at 3,495 million dollars, against 3,299 millions in 1906 and 1,983 millions in 1897; the total deposits in all banks, at 13 billion dollars in 1907, speaking in round terms, against 12¼ billions in 1906 and but 5 billions in 1897. The public debt, less cash in the Treasury, is given at 878 million dollars in 1907, against 964 millions in 1906 and 987 millions in 1897; and the per capita indebtedness, $10.26 in 1907, against $11.46 in 1906 and $13.78 in 1897. The annual interest charge of the public indebtedness on July 1, 1907, is given at 21 2-3 million dollars, against 23 1-4 millions at the corresponding date of last year and 34 1-3 millions at the corresponding date of 1897; and the annual interest charge per capita, 25 cents in 1907, against 28 cents in 1906 and 48 cents in 1897, a decade earlier.

The merchandise imported into the country is given at 1,434 million dollars in the fiscal year 1907, against 1,227 millions in 1906 and 765 millions in 1897, having thus nearly doubled during the decade; while exports of domestic merchandise are set down at 1,854 millions in 1907, against 1,718 millions in 1906 and 1,032 millions in 1897. Manufacturers' crude materials imported are given at 477 millions in 1907, against 415 millions in 1906 and 196 millions in 1897; manufactures for further use in manufacturing, at 274 million dollars, against 220 millions in the immediately preceding year and 88 millions in 1897, a decade earlier. On the export side, crude materials for use in manufacturing are given at 593 millions in 1907, against 500½ millions in 1906 and 297 millions in 1897; manufactures for further use in manufacturing, at 259 millions, against 226 millions in the immediately preceding year and 98 millions in 1897; and manufactures ready for consumption, 481 millions in 1907, against 460 millions in 1906 and 213 millions in 1897.

The records of production are also encouraging. While the figures of production are in most cases stated by calendar years and can therefore be given in this publication only for the calendar year 1906, they show in nearly all cases an improvement over the immediately preceding year. Pig-iron production for 1906 is given at over 25 million tons, against 23 millions in 1905 and 9 2-3 millions in 1897. Petroleum production is given at 5 1-3 billion gallons, against 2 1-2 billions a decade earlier. The number of cotton spindles in operation in mills of the Northern States, 15 2-3 millions, against 13.9 millions in 1897; and of the Southern States, 9 millions, against 3 1-4 millions in 1897.

Evidences of activity among the manufacturers are shown by increased importations of material used by them.

PRACTICAL BANKING

THE MAILING DEPARTMENT.

By A. R. Barrett, C. P. A.

THE proper handling of the outgoing mail of a bank is one of its most important features and one in which great care is necessary. How often it has occurred that a bank has made a remittance to its correspondent in a reserve city, calculating to have a certain balance to draw upon for an important matter, and has had its plans delayed, and possibly frustrated, because the letter is returned for want of postage, or has been mailed to the wrong bank.

While no one is infallible, yet such a systematic arrangement can be made as to reduce the liability of errors to a minimum.

In the course of a day many checks are received upon banks in other towns or cities; drafts and notes payable in other cities are also received for collection. All these must be mailed to the proper correspondent banks. The checks and all other demand paper should be sent promptly; the time paper generally being sent a week or ten days before its maturity.

The letters are written by the proper clerks (generally by the cashier in a small bank), with the typewriter, and footings proved by the adding machine, and the totals compared with the charges on the general ledger. These letters and their enclosures are then turned over to the mailing department. As small banks do not need such a separate department, I will treat of the matter only with reference to large banks.

In this department the envelopes for the one thousand or more correspondents are addressed by the addressograph in lots of twenty-five to one hundred of each, and these are assorted and distributed in tills or files, a compartment for each bank, arranged alphabetically. In some very large banks a separate set of compartments is used for various divisions of the United States, each division constituting several states. The letters for foreign countries have separate compartments.

Before these tills or compartments is a wide shelf, at a convenient height for one to work at when sitting on a stool or chair. There are a number of mailing clerks, each attending to only a portion of the alphabet. The head mailing clerk knows how many banks each of his assistants has to attend to, and every morning issues the proper amount of two-cent stamps so that one envelope, the one on top, in each compartment receives a two-cent stamp and is ready for the final work. At the close of the day these envelopes are taken from their compartments and placed in trays on edge, rêtaining their alphabetical arrangement. The trays are of wood, about seven inches wide, three inches deep, and two feet long.

As fast as the letters are completed, they, with their enclosures, are given to their respective mailing clerks. These letters are placed in piles, laid flat. The mailing clerks sitting before the shelf, or a table, with the tray at their right hand and the piles of letters and enclosures at the left hand, select their envelopes from the trays according to the address on the letters and proceed to fold the enclosures in the letters, and to insert them in the envelopes, these then being placed in another tray.

Improved Method of Folding Letters.

An improved method has been adopted by many banks in folding the letters. The letters with their enclosures are folded ready for the envelopes by the men who write them, thus greatly reducing the danger of getting the enclosures in the wrong letters. Instead of the letters being folded as customary, the reverse method is adopted, with the writing on the outside and the address at the head of the letter showing prominently. The letter writers put a rubber band around each letter to carefully retain the enclosures, and these folded letters are placed in trays and sent to the mailing clerks. From the address on the outside the mailing clerk readily selects the proper envelopes.

As the envelopes are filled they are taken to the sealers, where they are sealed by a machine run by electricity. The letters requiring more than two cents postage are then separated from the others, weighed, and placed in bins that are labeled according to the postage required, those requiring only two cents postage having already been placed in a bin labeled accordingly.

A great many postal cards are used as mere acknowledgments. If there are letters to the banks to which any postal cards are addressed they are enclosed in the letters. If not, they are, of course, mailed with the one-cent postage.

The bins mentioned are built on the back part of the mailing table. They are about eighteen inches square, made about one foot high at the back and low in front (about four inches). They are generally in two rows, eight or ten in a row, one row above and a little back of the other, each bin being labeled plainly the proper postage denomination. One is marked for the registered mail.

It often occurs, particularly on the last day of each month, that many packages must be mailed requiring large envelopes. These are sorted out and given to a clerk who attends to that especially.

The mail having been all sealed and weighed, and distributed to the bins, stamps are now issued by the head mailing clerk for all extra postage (over the two cents). The stamping is then completed, the letters are put up in packages of fifty in each bin, and then the counting for the proof of the postage takes place. This being completed, and the statement made, the mail is ready for the post office.

Date	Article	Amt of Postage	Addressed to	Destination	Our Messenger	Date Returned	Our No. for filing

Fig. 1.

Requisition for Postage Stamps													
¢ 1	¢ 2	¢ 4	¢ 5	¢ 6	¢ 8	¢ 10							
Date Oct 10/07											Value $107.00 J. B. Smith Head Mailing Clerk		

Fig. 2.

The registered mail, containing as it does packages of value, should be recorded in a book prepared for that purpose, and when the post office receipt for the same is returned it should be noted in this register and the receipt filed by number. A form for such a register is here shown:

Fig. 1.—RECORD OF REGISTERED MAIL.

The proper care and handling of the postage stamps in a large bank is an important feature. The stamps are purchased in large quantities, and are generally taken care of by an officer of the bank. When the purchases are made a charge ticket is sent to the general ledger charging postage stamp account with the amount of money so expended. Each day the head mailing clerk makes out a requisition for the stamps he will probably need, and this is given to the officer in charge of the stamps.

Opposite see form for a requisition:

Fig. 2.—FORM OF REQUISITION FOR STAMPS.

When the letters have all been stamped and counted a statement blank is filled out showing the number of letters and their respective value in stamps. Such a statement sheet is here shown:

Fig. 3.—FORM OF DAILY MAIL SHEET.

A statement is sent to the officer having charge of the stamps at the final close of each day, of which the following is the form:

Daily Mail Sheet

1¢	2¢	4¢	5¢	6¢	8¢	10¢	12¢	14¢	16¢	18¢	20¢	22¢	Registered	Value
420	2197	1523		22	12	12	5	3	4	5	4	3	6	1.08

Date Oct 10/07 Total Letters 4216 J. Smith Head Mailing Clerk

Fig. 3.

Form 00-1M-4-07

DAILY POSTAGE. Statement.

DATE Oct 10/07	1c	2c.	4c.	5c.	6c.	8c.	10c.	SUMMARY Showing Cash Values	
Stamps on hand,	180	1007	33	8	58	114	58	On hand	42 06
Stamps received,	300	2000	1600	—	—	—	—	Receipts	107
Total,	480	3007	1633	8	58	114	58	Total	149 06
Total stamps used	420	2208	1554	2	45	25	28	Disb'rsd	118 12
Balance stamps on hand,	60	799	79	6	13	89	30		
Value in denominations,	$ .60	$15.98	$ 3.16	$ .30	$ .78	$ 7.12	$ 3.00	Cash Balance	30 94

Time mailed 5.30 P.M.

Number of letters sent 4238

J. B. Smith
Head ~~Messenger~~ Mail Clerk

Fig. 4.

Fig. 4.—FORM OF DAILY POSTAGE STATEMENT.

The amount shown by the "cash balance" of this statement must agree with the value of stamps and unused stamped envelopes on hand with the head mail clerk.

The amount as shown by this statement as "stamps used $118.12" should be reported to the general ledger book-

keeper by charge and credit tickets to charge an account styled "Mail Acct." and to credit the "Postage Stamp Acct."

The "Postage Stamp Acct." will then show the total amount of stamps on hand, both in the officer's and the head mail clerk's hands, and the "Mail Acct." will show the actual expense. This can be done at the end of each week, or at the close of the month if preferred, by keeping these daily statements carefully filed and making a total of the amount used, with the adding machine. The total balance on hand as shown by the "Postage Stamp Acct." can be verified at any time.

PRACTICAL BANKING NOTES.

By James P. Gardner.

ENDORSED COPIES.

A METHOD of negotiation of time bills is employed abroad in nearly all European countries whereby the risk of loss by theft or otherwise is reduced to a minimum.

For example, a sixty-day sight draft will be drawn, say, in Marseilles upon a merchant in New York. This bill is forwarded for acceptance without endorsement, a copy of the bill being made meantime. Upon advice of the acceptance of the draft, the duplicate or copy becomes negotiable, the firm sending the draft to be accepted writing on the copy the following notation: "First accepted with," etc. A short time prior to the maturity of the bill the endorsed duplicate or copy is forwarded to the holder of the accepted first or original, which meantime has been held accepted subject to the endorsed copy or second. The two items are pinned together and are now complete. The first of exchange accepted but not endorsed, the second of exchange or copy endorsed but not accepted. This seems rather an involved treatment for American bankers, but it is a favorite method of banks abroad who tenaciously cling to old customs.

HOLD FOR ARRIVAL.

AN enterprising firm in the produce business, to assure the banks that present drafts upon them that such items should not be returned, have had a ticket printed like that given below, which upon presentation of the draft they pin to the same, thus preventing many causes of dispute by reason of the bank messenger's not explaining to the teller the cause of non-payment.

ANSWER to this DRAFT

"HOLD FOR ARRIVAL"

W. N. WHITE & CO.

ACCEPTANCE OF BILLS OF EXCHANGE.

IT is not generally known that if time bills of exchange left for acceptance are not returned accepted, or not accepted after the expiration of twenty-four hours, such delay constitutes a refusal to honor. In France, according to their Code of Commerce, in such an event as the failure of the drawee to return an item left for acceptance, interest charges are allowed to the owner.

REGULATING THE CURRENCY.

THERE never did exist on this earth a body of men wise enough to determine by any arbitrary rule how much currency is needed for the business of a great country.—*James A. Garfield.*

We believe General Garfield was right. Nor do we think there is any *one* man wise enough to do what it is declared no body of men could do. But the Secretary of the Treasury has tried very hard to show that Garfield was wrong. We see no evidence that he has succeeded in this attempt.

FOUR YEARS' GROWTH.

By Clay Herrick.

IN 1903 The United States Mortgage and Trust Company of New York began the publication of statistics of the trust companies of the country, under the title "Trust Companies of the United States." The 1907 edition of this valuable work, which is the most complete and accurate collection of trust company statistics published, has recently made its appearance, and makes possible a fairly accurate estimate of the growth of trust companies throughout the nation during the past four years.

The number of companies in 1903 was 912, of which 853 reported total resources of $2,940,115,801.40. In 1907, the number of companies was 1480, with aggregate resources of $4,285,782,075.73. The statistics in each case were for the last business day of June. For the four years, therefore, the increase in number of companies is 568, or a little over sixty-two per cent.; while the increase in aggregate resources is $1,345,666,274.33, or a little less than forty-six per cent. A slight percentage of the increase is doubtless due to the fact that the statistics are more complete in 1907 than in 1903, but the figures give a pretty accurate measure of the remarkable growth of trust companies in every part of the country.

In aggregate resources, New York is decidedly in the lead, with fourteen hundred and forty-three millions. This is an average of $16,403,347 per company—which large figure is accounted for by the size of the great companies of New York city, the largest of which on June 29, 1907 (The Farmers' Loan and Trust Company), had resources of over ninety millions. Pennsylvania ranks second, with 703 millions. The other states having resources of over 100 millions are as follows: Illinois, 447 millions; Massachusetts, 232 millions; Ohio, 221 millions; New Jersey, 187 millions; Missouri, 152 millions; Rhode Island, 128 millions; California, 102 millions.

New York also has a big lead in the increase of aggregate resources during the four years, the amount of its increase being 302 millions. The other states showing considerable increases are, in the order of the gains, as follows: Pennsylvania, 169 millions; Ohio, 95 millions; Massachusetts, 67 millions; California, 65 millions; New Jersey, 53 millions; Rhode Island, 48 millions; Indiana and Louisiana, 30 millions each; Tennessee, 27 millions; Texas, 23 millions; Missouri, 22 millions; Washington, 19 millions; Kentucky and Maine, 17 millions each; Oregon, 12 millions; Connecticut, 11 millions; Alabama and District of Columbia, 10 millions each.

In percentage of increase, the Southern and Western states are in the lead,

GROUPS OF STATES.	—Aggregate Resources— 1903.	1907.	Increase.	Percentage of Increase.
North Atlantic	$2,106,032,020	$2,784,291,691	$678,259,671	32
South Atlantic	129,757,394	171,441,148	41,683,754	32
North Central	562,781,825	934,861,561	372,079,735	66
South Central	76,966,368	205,329,658	128,363,290	167
Western	64,578,193	189,858,016	125,279,822	194

the states showing increases of over 200 per cent. being as follows: Idaho, 2603 per cent.; North Dakota, 973 per cent.; Mississippi, 598 per cent.; Texas, 527 per cent.; Nevada, 502 per cent.; Kansas, 386 per cent.; Arkansas, 338 per cent.; Washington, 337 per cent.; Oregon, 330 per cent.; Arizona, 257 per cent.; New Mexico, 247 per cent.; South Dakota, 228 per cent. Maryland shows a loss of four per cent., due, no doubt, to the Baltimore fire. Minnesota shows a loss of three per cent., and Oklahoma a loss of twenty-five per cent.

The complete figures are given in the table presented herewith.

A better idea of the distribution of

STATE.	No. of Companies 1903.	1907.	Increase.	—Aggregate Resources— 1903.	1907.	Increase.	Percentage of increase 1903-1907.
Alabama ...	10	26	16	$7,977,947.13	$18,154,422.00	$10,176,474.87	127
Arizona	4	7	3	629,818.65	2,252,618.01	1,622,799.36	257
Arkansas ..	12	30	18	2,753,143.30	12,057,455.76	9,304,312.46	338
California ..	16	36	20	36,966,323.38	102,632,427.65	65,666,104.27	178
Colorado ...	10	12	2	8,395,521.32	12,281,159.34	3,885,638.02	46
Connecticut.	15	26	11	15,132,460.38	26,407,379.27	11,274,918.89	74
Delaware ..	3	7	4	5,770,006.21	9,581,967.10	3,811,960.89	66
Dis. Colum.	4	6	2	23,831,052.67	34,316,533.95	10,485,481.28	44
Florida	3	8	5	1,603,834.20	3,743,410.84	2,139,576.64	133
Georgia	16	17	1	7,445,989.37	14,253,128.51	6,807,139.14	91
Hawaii	..	4	4	....	1,482,147.94	1,482,147.94	...
Idaho	2	14	12	181,814.98	4,914,255.76	4,732,440.78	2,603
Illinois	37	64	27	243,975,237.67	447,722,506.72	203,747,269.05	83
Indian Ter.	10	23	13	1,819,364.73	3,669,877.26	1,850,512.53	101
Indiana	47	80	33	21,365,239.56	51,685,587.79	30,320,348.23	142
Iowa	22	33	11	15,844,520.19	24,404,098.14	8,559,577.95	54
Kansas	5	5	0	531,179.18	2,584,665.61	2,053,486.43	386
Kentucky ..	19	43	24	12,029,575.27	29,487,555.93	17,457,980.66	145
Louisiana ..	5	22	17	30,703,464.84	60,850,665.65	30,147,200.81	98
Maine	20	35	15	18,555,829.87	36,157,238.95	17,601,409.08	95
Maryland ..	16	20	4	62,802,394.93	60,593,834.66	2,208,560.27*	4*
Mass.	35	42	7	165,211,830.68	232,820,769.51	67,608,938.83	41
Michigan ..	5	8	3	13,905,848.34	17,859,427.22	3,953,578.88	28
Minnesota .	6	5	1*	4,511,109.79	4,366,740.72	144,369.07*	3*
Mississippi..	6	28	22	1,408,165.76	9,825,842.15	8,417,676.39	598
Missouri ...	23	39	16	129,686,453.36	152,341,256.89	22,654,803.53	17
Montana ...	3	6	3	3,190,761.29	9,473,079.20	6,282,317.91	197
Nebraska ..	6	8	2	625,601.78	1,202,955.08	577,353.30	92
Nevada	1	7	6	984,528.15	5,926,088.53	4,941,560.38	502
New Hamp.	6	6	0	3,323,756.30	3,913,014.80	589,258.50	18
N. Jersey...	56	69	13	133,662,415.54	187,379,248.50	53,716,832.96	40
N. Mexico..	2	6	4	166,417.03	577,470.17	411,053.14	247
New York..	78	88	10	1,141,170,924.85	1,443,494,569.64	302,323,644.79	26
N. Carolina.	13	39	26	6,778,496.94	16,645,343.01	9,866,846.07	145
N. Dakota..	2	3	1	82,258.70	882,438.70	800,180.00	973
Ohio	36	63	27	126,138,480.65	221,640,722.38	95,502,241.73	76
Oklahoma .	3	6	3	663,950.35	494,512.05	169,438.30*	25*
Oregon	3	14	11	3,701,404.06	15,915,399.52	12,213,995.46	330
Penn.	210	272	62	534,383,684.61	703,960,646.67	169,576,962.06	32
R. Island ..	9	12	3	79,965,768.89	128,575,679.91	48,609,911.02	61
S. Carolina.	10	21	11	3,487,238.48	5,206,628.85	1,719,390.37	49
S. Dakota..	3	9	6	669,829.76	2,193,845.99	1,524,016.23	228
Tennessee .	30	65	35	15,081,737.79	42,360,785.13	27,279,047.34	181
Texas	19	43	24	4,529,018.93	28,428,542.44	23,899,523.51	527
Utah	2	3	1	4,466,128.43	8,142,114.90	3,675,986.47	82
Vermont ...	19	25	6	14,625,349.35	21,583,144.50	6,957,795.15	47
Virginia ...	18	21	3	8,655,716.50	11,367,369.45	2,711,652.95	31
Washington.	9	19	10	5,895,476.09	25,782,492.87	19,887,016.78	337
W. Virginia	19	20	1	9,382,664.74	15,732,932.07	6,350,267.33	68
Wisconsin .	4	10	6	5,446,066.43	7,977,315.82	2,531,249.39	46
Wyoming ..	..	5	5	....	478,762.22	478,762.22	...
Totals	912	1,480	568	$2,940,115,801.40†	$4,285,782,075.73	$1,345,666,274.33	

* Decrease. † Only 853 companies reporting.

the business over the country may be obtained by arranging the states in groups according to location. In the following table the North Atlantic States comprise Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey and Pennsylvania; the South Atlantic States, Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia and Florida; the North Central States, Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska and Kansas; the South Central States, Kentucky, Tennessee, Alabama, Mississippi, Louisiana, Texas, Indian Territory, Oklahoma and Arkansas; the Western States, Montana, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Idaho. Washington, Oregon, California and Hawaii.

It thus appears that the trust companies of the North Atlantic States have about sixty-five per cent. of the aggregate resources of all trust companies in the country. Their increase for the four years was about fifty per cent. of the increase of all the companies. Their percentage of increase, however, as the table shows, was only thirty-two per cent., the same as that for the South Atlantic States, as against sixty-six per cent. for the North Central, 167 per cent. for the South Central, and 194 per cent. for the Western States. The large percentages for the two last named indicate the rapid spread of the trust company movement into the southern and western parts of the country.

The increase in the number of companies tells a similar story. For the North Atlantic States the increase was 127 companies, or twenty-eight per cent.; for the South Atlantic States, fifty-seven companies, or fifty-six per cent.; for the North Central States, 131 companies, or sixty-seven per cent.; for the South Central States, 172 companies, or 151 per cent.; for the Western States, eighty-one companies, or 156 per cent. Thus the South Central States lead all others in the number of new companies formed, while they are slightly behind the Western States in percentage of increase of companies. In these two divisions the percentage of increase of companies is more than twice that in any of the other divisions, and is over five times that in the North Atlantic States.

NEW COUNTERFEIT $10 (BUFFALO) UNITED STATES NOTE.

SERIES of 1901; check letter C; face plate No. 464; back plate indistinct but probably No. 188; serial No. 4678111; W. T. Vernon, Register of the Treasury; Charles H. Treat, Treasurer of the United States; portraits of Lewis and Clark.

This counterfeit, which made its appearance in New York city, and was detected at the National Park Bank by Charles Richmond, is printed on two pieces of paper, between which long pieces of very fine silk thread have been distributed. While the general appearance of the note is deceptive, the lathe work and ruling are very crude and broken. The denomination design, and the seal are of very good color, but the Treasury numbers are very heavy and of a lighter color than the genuine. The green color of the back of the note is good, but the lathe work and ruling are crude and broken as on the face of note. The note should not deceive the expert handler of money.

LEGITIMATE WAY TO MAKE MONEY.

TO produce by industry the money's worth, is the legitimate way to make money.—*The Late George S. Coe.*

In these progressive days this sounds a little bit old-fashioned. Still, we might try this plan of making money and see how it works. The manufacture of paper "securities" as a means of money-making has been found to have its disadvantages.

THE QUALIFYING CLAUSE IN THE PASS-BOOK.

By William H. Kniffin, Jr., Cashier Home Savings Bank of Brooklyn.

It is commonly accepted in many quarters that a savings bank pass-book is good for "what is on it," and while this is true in the main it is open to qualifications. The book is certainly worth what it calls for to the owner; but when it gets into other hands, the matter takes on a different aspect.

Most savings banks require that the book be presented at every transaction in order that proper entry be made; and, aside from the accrued interest that may not have been credited, the bank-book should show the true state of the depositor's account at all times. This being the case, it follows that it is worth its face value. Like other property, it may be transferred by assignment, and the assignee will have good title, while the pass-books of commercial banks are merely memoranda, receipts as it were, for the amounts deposited and are valuable only as matters of record; for, according to latter day usages, the payments do not appear thereon, these being listed by machine and the totals only carried to the book.

Possession of Pass-Book Not Proof of Ownership.

Possession does not always indicate ownership, as many savings banks have discovered to their cost, and the fact that a man has a pass-book in his hand is not conclusive evidence that he is the owner of the same. Payment to the gentleman aforesaid will not in all cases discharge the bank, and paying thus has brought more than one bank before the court, as will appear presently. (See Kemmel vs. Germania Savings Bank, 127 N. Y. 488; Smith vs. So. Brooklyn Sav. Bk., 101 N. Y. 58.)

Most, if not all, savings banks print extracts from their by-laws, especially those parts relating to the depositors, in the pass-books. It has been held that the rules so printed become part of the contract with the depositor. (Wahrus vs. Bowery Savings Bank, 21 N. Y., 543, and the cases above cited.) This is but reasonable, for if the relationship between the bank and its depositors is contractual and not merely that of debtor and creditor, the terms of the contract must be clearly stated. On the one hand, upon what conditions the money is received and will be repaid, and, on the other, upon what terms it is placed in the care of the bank. The depositors must be placed in position to know, if they care to, just what these rules are, and failing to become conversant with their part of the contract, it is their own misfortune if loss accrues to them. Otherwise all sorts of unjust and unfair regulations might be imposed that would work undue hardship. Hence the wisdom of printing the rules. These forming, as they do, the basis of the contract, payment in accordance with them will bind both parties. Whether or not the regulations have been adhered to, is for the court to determine, and this it is that brings the litigation.

Contracts are construed literally, and the courts hold to the strict letter of the agreement, and so long as he keeps within the bounds of his contract, the bank man is safe. But often a qualifying clause, a "joker" as it were,

creeps in, and while seemingly innocent, proves troublesome in after days.

The average man is prone to rush into law at the slightest provocation, and that a search among the reported cases reveals a singular lack of cases bearing on these subjects is much to the credit of the savings banks of the Empire State. A few cases in point may suggest a profitable line of thought.

Some Decisions in Point.

Schoenwald vs. Metropolitan Savings Bank (57 N. Y. 418) is the story of a German girl who had a hundred dollars. The money went into the bank and the bank-book went into her trunk, where it should have stayed, but didn't. The bank bargained with her "that it would use its best efforts to prevent frauds upon its depositors, but would pay upon presentation of the bank-book." She could not read English, hence she could not know the part of the contract that affected her.

A bank is required to use ordinary care in the payment of money and no "jokers" in the by-laws will excuse its liability where negligence can be shown, but when simple and reasonable rules are prescribed, the depositor must abide thereby, and ignorance is no excuse in the premises. That a bank has accounts with people speaking twenty different tongues is not to say that it must print these rules in twenty different languages.

At any rate, the lady under discussion did not acquaint herself with these affairs, and subsequently discovered that her book had been purloined from the trunk and something like $60 withheld an order purporting to be signed by her, but the payment was questioned, and the matter taken into court. She testified that "the writing looked like hers," but she was not sure on this point, and was certain that she never gave anyone a paper like that and consequently the order could not be genuine. It was fortunate for the bank that this point was not clear, for it came very near spoiling their case.

The qualifying clause now comes into play, for the bank had promised "to use its best efforts to prevent fraud," but, in this case, luckily, the joker did not operate against them. The trial jury seemed to be satisfied that the signature was forged and gave verdict accordingly.

Forgery always works against the bank, for a bank is bound to know the signatures of its depositors, be they few or many, and pays forgeries at its own peril. (Morgan vs. State of New York Bank, 11 N. Y., 404; Nat. Park Bank vs. Ninth Nat. Bank, 46 N. Y., 77.) The higher court reversed the judgment, holding that if the order was forged, which seemed likely, it was as if there had been no order at all, and therefore paid upon presentation of the book, which it had a perfect right to do. It seems strange, however, that the attorney for the plaintiff did not note the qualifying clause and ask *why the bank did not use its best efforts to prevent fraud as it had promised to do.* The bank won its suit, but in Allen vs. Williamsburg Savings Bank (69 New York, 314) the court commented on this case to the effect that the one presenting the order was male while the deposit book was in the name of a female, which was notice *prima facie* that the book did not belong to the one presenting, and the bank was therefore placed on inquiry to ascertain the genuineness of the order and could have applied the usual test and failing to do this took the risk of a forgery and did not use its best efforts. Had the same logic been applied at the time of the first decision, the result might have been different.

In the Allen case, the bank likewise contracted to pay on presentation of the book, but would also "use its best efforts to prevent fraud"—the qualifying clause again.

Here the account stood in the name of the husband, and the wife obtained possession of the book and presented the same with a forged order and drew $2,850. The signature *resembled* that of the depositor, but the jury seemed satisfied of the forgery and rendered a verdict against the bank. Several of

the bank officials testified that there was a difference in the signatures, and the question hinged on the qualifying clause—*did the bank do its best to prevent fraud?* Had it only obligated itself to use ordinary diligence, or none at all, it would have been safe in paying upon presentation of the book, but having undertaken more than this, it must prove that it did its best in this regard. "It would pay," it said, "personally, or upon letters of attorney, duly authenticated or upon written order." Having been a forgery, it certainly did not pay on order, nor was Mr. Allen present and had given no letters of attorney, hence it was the duty of the bank to use its best efforts, which it did not, and consequently paid the gentleman his money. What he gave his wife for her cleverness is not a matter of record.

But unlike these two instances, in Appleby vs. Erie Co. Savings Bank (62 N. Y., 12) the bank only promised to "endeavor to prevent fraud." Here the book was stolen and presented at the teller's window by one assuming to be the owner. He signed his name at the customers' desk and the teller testified that he carefully compared the signature with the genuine, and finding nothing to excite suspicion, he paid over the money. Had there been good reason to question the signature, he would hardly have been justified in making payment without further inquiry, but the jury was evidently satisfied with the signatures and concluded that the bank did "endeavor to prevent fraud," and sustained the payment.

But presuming the bank man is shrewd enough to protect himself against such emergencies and endeavors to absolve himself from liability in these instances, he will find that he must reckon without his host. Kummel vs. Germania Savings Bank, Kings Co., 127 N. Y. 488, is a case in point. Here the bank contracted to pay only "the depositor or his duly appointed attorney," and added a qualifying clause to the effect that "*the bank will not be responsible for fraud committed on the officers in producing the pass-book and drawing money without the knowledge or consent of the owner.*" It would here seem that the bank was amply protected, but it had occasion to discover otherwise.

Here was another German with a bank-book—most good citizens of this race have snug bank accounts—and some one stole the book. In reviewing the case the court remarked that "payments made in good faith in such cases with the exercise of reasonable care and diligence, even though fraud be shown, will constitute valid payment."

In this instance, however, the first payment was made by the cashier, who simply asked the man where he lived. In the other, payment was made by an assistant, who, noting a difference in the signature, asked him "if he could not write more fluently" and was told that "he was not feeling well."

Other test questions were answered correctly, so the assistant said, but being an interested witness, the court did not overvalue his statements and held that the fact that the signature was not proper placed the bank on inquiry, and failing to make due investigation, must pay at the risk of forgery, despite the qualifying clause. To quote: "The agreement to pay only himself or attorney would have absolutely protected the plaintiff from losses of this character, but the modification following did not permit the officers to carelessly shut their eyes and pay any person presenting the pass-book, but on the contrary, they owed the depositor active vigilance in order to detect fraud and forgery." The bank therefore lost its case.

To cite one more instance, in brief, of loss for similar reasons, the matter of Smith vs. South Brooklyn Savings Inst. (101 N. Y. 58) will prove interesting. Here the bank likewise agreed to pay upon presenting the book, and doubtless intended to apply the rule to all persons, but innocently added "that it would also pay upon written order of the depositor, accompanied by the book."

A brother of the owner obtained possession of the book and was paid without an order. The bank won on trial,

but lost on appeal, the court holding that the by-laws provided for but two methods of making payment, viz., to the depositor with the book, and in his absence, upon his order, with the book. It can readily be seen that the bank did not pay in either of these ways, and in seeking to hide behind a rule which they intended to make but did not, they defeated their own purpose.

Place a dozen qualifying clauses in the by-laws, if you will, and some day, when least expected, they may turn up as "jokers" and frustrate the good intentions that prompted them, for no bank can make a by-law that will release it from ordinary care in the matter of payment of money, and the bank man who pays "hit or miss," depending on these to help him out, will awake too late and discover his error. These rules and regulations must not only be explicit, but clear as well and conform to the customs and usages of good banking as the courts have accepted them, otherwise they will count for nothing in the time of need.

It would therefore seem to be true, that if a bank makes wise and just regulations and places the same within reach of its customers and fulfills its part of the contract and eliminates all modifying clauses, it will be amply sustained in all its dealings in accordance therewith. But if, through overzeal to be philanthropic, it unwisely takes upon itself needless obligations, having of its own volition assumed them, it is but fair to both parties that it shall make good.

NEW ZEALAND SAVINGS BANKS.

GOVERNMENT postal savings banks in New Zealand are the subject of a recent communication from Consul-General W. A. Prickitt. He says:

"New Zealand is a young country, but it has adopted the postal savings bank system with the most gratifying success. Postal savings banks were established by the colonial government in 1867. On December 31, 1906, there were 540 post offices open for the transaction of savings bank business, with 298,746 accounts, covering a total deposit of $48,766,325, an average of a little over $166.50 to each account, and representing a sum equal to $56 a head for the entire population of the colony.

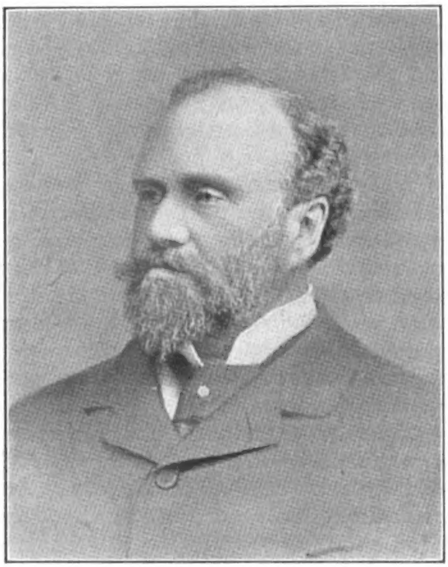
"Deposits may be made of one shilling (24 1-3 cents) upward, but interest is reckoned only on complete pounds ($4.86). Interest is allowed from month to month, commencing with the first day. Deposits made on the second and subsequent days do not draw interest until the first of the month succeeding. Accounts may be drawn upon at any time, but interest is allowed on the sum withdrawn only up to the first day of the month of withdrawal. The interest due to each depositor is calculated to December 31 of each year, and is then added to the principal. The rate of interest at present is 3½ per cent. up to $1,500; from $1,500 to $3,000, 3 per cent.; above $3,000 no interest is paid. Charitable institutions, however, may draw interest at the maximum rate for any amount they may desire to deposit.

"The 540 savings bank post offices average a depositary for every 1,646 persons, and of that number 548 have a savings bank account, making the proportion of accounts per head of population nearly one in three. If these proportions were applied to the United States with a population of, say, 82,300,000, there would be in that country 50,000 postal depositaries, with 27,400,000 accounts, covering a deposit in round numbers of $4,600,000,000. But there were in the United States in 1906 only 1,319 savings banks, with 8,027,192 accounts, and total deposits of $3,482,137,198. This is an average of $433.80 to each account, indicating that the savings banks are being used by people of comparatively large means, and that persons having small sums which they might deposit under favorable conditions do not find convenient depositaries. Of the 298,746 accounts in New Zealand 212,605 had deposits not exceeding $100."

DEATH OF WM. H. S. WOOD.

President Bowery Savings Bank of New York.

WILLIAM H. S. WOOD, president of the Bowery Savings Bank of New York, and head of the well-known publishing firm of William Wood & Co., died December 11. Mr. Wood was born in New York in 1840, the son of William Wood and the grandson of Samuel Wood, the founder of the publishing house. He was graduated from Haverford College



WILLIAM H. S. WOOD.
Late President Bowery Savings Bank, New York.

in 1863, and two years later was taken into partnership by his father, the firm name of William Wood & Co. being then adopted. The firm has paid particular attention to the publication of medical works.

Mr. Wood remained the active head of the house to the time of his death, but for the last four years had devoted his chief energies to the conduct of the Bowery Savings Bank, of which he had been a trustee since 1872, and to the presidency of which he was elected in 1903. Under his guiding hand the influence and prestige of the bank continued to increase until, in July of this year, its deposits reached the sum of over $100,000,000.

Mr. Wood belonged to many public societies. He was much interested in horticulture, and had written several volumes on the subject. He is survived by a widow, three sons, and a daughter.

NEW YORK STATE SAVINGS BANKS.

IN the following table are shown the aggregate deposits and withdrawals of the savings banks of the State of New York for each of the years ended July 1, 1904, 1905, 1906 and 1907.

Year.	Amounts Withdrawn.	Amounts Deposited.	Excess of Deposits Over Withdraw's
1904	$297,467,858	$323,080,292	$25,612,434
1905	317,711,472	363,213,466	45,501,993
1906	356,910,221	394,356,106	37,445,885
1907	389,508,985	399,770,401	10,261,415

COMMERCE IGNORED BY THE ALDRICH BILL.

COMMERCIAL paper representing the legitimate business transactions of the country is ignored by the Aldrich Bill and the state, municipal and corporation bonds —syndicate securities—are made the basis of the proposed additional bank notes.

This is discriminating against commercial interests in favor of Wall Street.

Will the great commercial organizations of the country submit to this?

A SUSPICIOUS CIRCUMSTANCE.

HARDLY had the Aldrich Bill been made public when it was announced with a great show of positiveness that it would be jammed through the Senate and the House. Wishes of members, much less of the people, were not to be considered.

Is this bill to be passed in payment of a political debt to Wall Street?

What have the people to say about it?

BANKING AND COMMERCIAL LAW

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States courts and State courts of last resort will be found in the MAGAZINE'S Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

NOTE — AGREEMENT RELIEVING MAKER FROM LIABILITY —DEVICE AGAINST BANK EXAMINER—EFFECT— REFORMATION OF INSTRUMENTS.

NATIONAL BANK OF KENNETT SQUARE VS. SHAW.

Supreme Court of Pennsylvania, June 25, 1907.

An agreement in writing, made at the time a note was given to a bank as a mere device to avoid trouble with the bank examiner, that relieved the maker from all liability on the note, is held sufficient to render the maker not liable on the instrument.

At the trial it appeared that on April 4, 1899, the defendant gave his promissory note to the plaintiff for $5,000, payable in four months.

At the time the note was given the following agreement was entered into between the bank and defendant:

"It is hereby understood and agreed that P. B. Shaw shall not be held responsible for the payment of his note of five thousand dollars ($5,000) payable to the order of himself and dated 4th day of February, A. D. 1899, at four months and discounted by said bank, and the proceeds whereof were for the benefit of the Pennsylvania Marble & Granite Co., a corporation incorporated under the laws of the state of New Jersey; the said amount of five thousand dollars to be repaid to said bank out of the first earnings or profits of the business of the above named company to the extent of one-third of said earnings, or profits arising from monthly sales of marble, granite or other stone from the quarries of said company, and said bank shall participate in said profits until said note shall be paid in full with discounts on same. In the event of said company failing to earn sufficient profits to pay said note and discounts, the said bank will not hold said Shaw personally liable for the repayment of said note or any unpaid portion thereof. This action being taken on an agreement of the members or stockholders of said Pennsylvania Marble & Granite Co., upon its reorganization to repay said bank out of the earnings or from sale of stock of said company, or in lieu of same (if not paid in cash) issue and deliver to said bank such an amount of stock as will in the aggregate amount to the entire balance unpaid of the indebtedness of the Acme Lime Co., Avondale Marble Co., indorsed notes of Hunt, Hepburn, and Volmer, also business paper of Gimm Deitrich, or any other like obligations on which the former operations or companies have received the money, by being discounted at and by said bank, and said obligations still remaining unpaid, or any portion thereof, after all collateral held by said bank (that can legally be disposed of) have been sold, and the proceeds thereof applied to the payment and discharge of said indebt-

edness of said several companies or operations above mentioned, dated at Kennett Square, Pa., April 4, 1899."

MITCHELL, *C. J.:* This is not the ordinary case of the obligor in an instrument for the payment of money seeking to escape the obligation through parol testimony. On the contrary, the case starts with a clear agreement of the parties in writing that, notwithstanding the face of the note, the maker was not to be liable. It is admitted that, when the original note (of which the one in suit was a renewal) was executed, an oral agreement was made by the parties with regard to its payment and the liability of the maker. This agreement was put into writing nearly two months later by the plaintiff bank itself, and is the substantial basis for the determination of the case. It provides in explicit terms, first, "that P. B. Shaw shall not be held responsible for the payment" of the note; secondly, that the proceeds of the discount of the note by the bank are for the benefit of the Pennsylvania Marble & Granite Company; thirdly, "the said amount of five thousand dollars to be repaid to said bank out of the first earnings or profits of the business of the above named company to the extent of one-third of said earnings, or profits arising from monthly sales of marble, granite or other stone from the quarries of said company." Having thus agreed that the maker of the note shall not be primarily liable, and provided affirmatively how payment shall be made, the agreement then guards against any inference of a secondary liability of the maker by the specific agreement that, "in the event of said company failing to earn sufficient profits to pay said note and discounts, the said bank will not hold said Shaw personally liable for the repayment of said note or any unpaid portion thereof.

This action being taken on an agreement of the members or stockholders of said Pennsylvania Marble & Granite Company, upon its reorganization to repay said bank out of the earnings or from sale of stock of said company, or in lieu of same (if not paid in cash) issue and deliver to said bank such an amount of stock as will in the aggregate amount to the entire balance unpaid of the indebtedness of the Acme Lime Company, Avondale Marble Company, indorsed notes of Hunt, Hepburn and Vollmer, also business paper of Gimm Deitrich, or any other like obligations on which the former operations or companies have received the money, by being discounted at and by said bank, and said obligations still remaining unpaid, or any portion thereof after all collateral held by said bank (that can legally be disposed of) have been sold, and the proceeds thereof applied to the payment and discharge of said indebtedness of said several companies or operations above mentioned." This as already said was put into writing by the bank itself as expressing the oral agreement made at the time of the execution of the note, and it must, therefore, be accepted and treated as contemporary with it.

The underlying motive and real intent of this arrangement as testified to by the defendant were that the bank was the holder of obligations of the Acme Lime Company, Avondale Marble Company, and other predecessors and constituents of the reorganized Pennsylvania Marble & Granite Company, and was willing to put money into the new enterprise to save its investments already involved in the old ones. And the note of defendant was given for appearances, as a nominal equivalent for the money so advanced, in order to avoid question with the bank examiner and the Comptroller of the Treasury. Against this ample and complete explanation, the plaintiff set up that the writing did not contain the whole agreement, two matters being overlooked or accidentally omitted as stated in the charge. First: that Shaw "was to furnish monthly statements of the profit or loss at which this business was being conducted, because under the agreement they were to receive one-third of the profits if there were any; and the second was that he was to see to the furnishing of the stock or cash

which was to satisfy them or to secure them in their unsecured notes which they held against Vollmer, Gimm, the Acme Lime Company, and some others."

Of these matters it is to be said in the first place that it does not appear that the omissions were at all material. It is not shown that the plaintiff lost any profits that were made to which it was entitled, or that it ever demanded and was refused the stock which the written agreement called for as collateral for the indebtedness of the Acme Lime Company and the other parties named. The defendant denied positively that there were any such omissions in the writing as were alleged. Some discrepancies in his testimony are shown, but they are on minor and immaterial points, and perhaps not to be wondered at considering the lapse of six or seven years between the transaction and the trials. On the main point of his exemption from liability his testimony is clear and positive and in accordance with the writing. The case does not really need his testimony at all, but could stand firmly on the writing alone.

For the plaintiff, on the other hand, the bank directors, five in number, testified, as summed up in the charge, that "these two omissions were made, and that even when the paper was read over to them and they approved it, and ordered their officers to execute it and forward a copy to Mr. Shaw, that it was an oversight on their part, that they mistook or did not recall it at that time, and it seems did not recall it until a far later period, and not until there was some litigation entered into or about to be commenced in connection with this note itself. * * * But this is their recollection after some years as against a written instrument executed only two months or a little more after the time that the oral agreement was made, when they attempted to put it in writing." The learned judge in submitting it to the jury gave them the correct rule in these words: "In a case of this character the testimony should be clear, precise, and indubitable. When they attempt after several years to say that an instrument in writing made by themselves, fathered by themselves and presented to the defendant here as their understanding of the agreement, I say that the testimony, to satisfy you that it was not the agreement made on February 3d, should be testimony that would convince you of that fact beyond question, or, in other words, that the testimony should be full, precise, and indubitable." He nevertheless submitted it to the jury, and in this there was error. It was not up to the standard required, and the jury should have been directed to say so.

Judgment reversed, and judgment directed to be entered for the defendant *non obstante veredicto.*

DEPOSITOR—TRANSACTION BETWEEN BANKS—LOAN—CERTIFICATE OF DEPOSIT—NATIONAL BANK — SAVINGS BANK—VIOLATION OF STATUTE—EFFECT.

STATE VS. CORNING STATE SAVINGS BANK.

Supreme Court of Iowa, Oct. 24, 1907.

A depositor is one who delivers to or leaves with a bank money subject to his order, either upon time deposit or subject to check. One bank may be a depositor in another bank. In an action by a bank on a certificate of deposit given by another bank, it may be shown that the transaction was, in fact, a loan, in which event no recovery can be had on the certificate, if the bank issuing the certificate is prohibited by law from borrowing money.

Where a national bank, through an employee, had deposited money with a savings bank, and subsequently, on a request for more money, offered to deposit more money, but refused to make a loan, the national bank received a letter, inclosing a certificate of deposit, asking that it be placed to the credit of the savings bank; the certificate was issued to the president of the savings bank, who indorsed it to an employee of the national bank, who, in turn, in-

dorsed it to the bank, which gave credit on its books to the savings bank for the amount of the certificate; the certificate was marked "paid," taken up, and renewal certificates issued from time to time; and on failure of the savings bank recovery was sought on the last certificate issued directly to A and signed by the cashier of the savings bank, it is held the transaction was a loan, not a deposit, so it did not create a preferential claim.

DEEMER, *J.*: The Corning State Savings Bank was a corporation organized under the savings bank law of this state. Upon proper proceedings instituted by the Auditor of State, C. F. Andrews was appointed receiver of said bank, and is now acting as such. March 24, 1904, the Des Moines National Bank filed with the court and receiver its claim upon what purports to be two certificates of deposit in the sum of $5,000, each issued by the Corning State Savings Bank and upon a protested sight draft indorsed by said savings bank. The claim upon the sight draft was dismissed, and the case was tried upon the two certificates of deposit. The receiver pleaded that the intervener was not a depositor; that the savings bank never received any money from intervener; that whatever money it did receive was, in fact, a loan, prohibited by the laws of this state; and that the money received from intervener went to one La Rue, and upon his personal account, and that the savings bank was under no obligation to return the same. Intervener denied these claims, and further pleaded an estoppel upon the part of the savings bank and of the receiver. The trial court having dismissed the claim, intervener appeals, and presents the following questions for review: (1) Was it a depositor in the savings bank? If not a depositor, is it entitled to have its claim established as a loan? If the transaction was a loan, was it illegal, and, if so, will this illegality defeat its claim? Other questions incident to these main propositions will be considered during the course of the opinion.

One of these incidental questions is this: May the receiver show that, although certificates of deposit were issued by the savings bank, the transaction was, in fact, a loan? Intervener contends that this may not be done, for the reason that the contract is in writing, and that therefore parol evidence is inadmissible to show the nature of the transaction. There is no merit in this contention. The issuance of a certificate of deposit does not of and in itself indicate the true nature of the transaction. Such an instrument may be given, although a loan was intended, and parol evidence is admissible to show the true nature of the transaction.

A certificate of deposit is for many purposes treated as a promissory note, and parol evidence to show that it was given as evidence of a loan is admissible. We are not to be understood as holding that it is a mere receipt, and as such subject to be defeated by parol evidence showing that there was, in fact, no promise on the part of the bank issuing it. Our holding is that the nature of the transaction for which it was given—that is as to whether it was a loan or a deposit of money—may be shown by proper parol evidence.

The bank issuing such an instrument is in any event a debtor, but whether as to a depositor or a lender is subject to explanation by parol. None of the cases cited and relied upon by appellant are in point upon this proposition. Appellee argues that one bank cannot be a depositor in another; but this is manifestly unsound. There is no provision of law and no reason growing out of public policy which forbids such a deposit.

Another collateral question is this: May the receiver show that the savings bank never received any money from intervener? In so far as the action is upon the certificates of deposit, it is manifest, we think, that it cannot be heard to so affirm. But, if recovery is to be had upon an implied contract for money had and received, it may show it did not receive any.

We are now brought down to the pivotal question in the case, to wit: Was intervener a depositor in the sav-

ings bank as distinguished from a general creditor on account of a loan or loans made to that bank? Determination of this question is important, for two reasons: First, because, if it is a depositor, it is entitled to a preference over general creditors; and, second, if a mere lender, there may be some doubt of the validity of its claim on account of a statute providing what kind of loans may be made by a savings bank. As to this latter proposition, we shall have something to say hereafter. A depositor is one who delivers to or leaves with a bank money subject to his order. These may be either time deposits or open ones subject to check. * * * In Law's Estate, 144 Pa. 499, 22 Atl. 831, 14 L. R. A. 103, the difference was pointed out: "Deposit is where a sum of money is left with a banker for safe-keeping, subject to order, and payable, not in the specific money deposited, but in an equal sum. It may or may not bear interest, according to the agreement. While the relation between the depositor and his banker is that of debtor and creditor simply, the transaction cannot, in any proper sense, be regarded as a loan unless the money is left not for safe-keeping, but for a fixed period, at interest, in which case the transaction assumes the characteristics of a loan."

Having distinguished as best we may between a deposit and a loan, we now go to the evidence to see whether intervener was a depositor as to either of the certificates in question. On the 19th day of October, 1899, while the savings bank was a going concern and when no business relations of any kind existed between it and intervener, Beaumont Apple, an employee of intervener, wrote the savings bank that he had made unexpected collections, and would be pleased to place with the savings bank the sum of $5,000 for six months at 6 per cent. interest, and asked if it would use the same. To this the savings bank responded, through its cashier, that with its present outlook for loans it would use the money on a straight time certificate for one year at 6 per cent. Thereupon Apple sent a draft payable to the savings bank for the sum of $5,000, with a request for the certificate. On October 21, 1899, the savings bank sent Apple an ordinary time certificate of deposit for $5,000. This was made payable to Beaumont Apple, on return of the certificate properly indorsed, with 6 per cent. interest from date, and by Apple was indorsed to the intervener. This certificate was renewed from time to time, and the last renewal is the certificate declared upon in the first count of the petition. The facts as to the issuance of the second certificate differs very materially from those out of which the first one arose. As to this, it appears that one Shepard visited the officers of the savings bank, and these officials requested him, Shepard, to call upon intervener and see if it would not send the savings bank more money. Shepard, in compliance with this request, saw the officials of the intervener bank. Pursuant to this, the intervener bank wrote the Corning bank a letter offering to deposit more money, at the same time, as we understand it, refusing to make a loan. In response to this, intervener bank received the following letter: "May 29, 1892. Arthur Reynolds, President, Des Moines, Iowa—Dear Sir: Herewith find our certificate of deposit $5,500.00 as per your letter of some time since, which please put to our credit on account. We do this in order to hold the real estate loans we have for sale until there is a better demand for them later in the summer. I have also personally indorsed the certificate as per former letters. Yours respectfully, F. L. La Rue, President."

The certificate therein referred to was issued to La Rue, and by him indorsed to Apple, who, in turn, indorsed it to intervener bank, and the Corning bank was given credit upon the books of the intervener bank with the amount of the certificate. This certificate was marked "Paid" by the intervener bank, but, in fact, it was taken up by a renewal, and a new certificate issued to La Rue, and by him indorsed as the other certificate had been. This certifi-

cate or one of the renewals thereof, all of which, save the one now in suit, were issued in the name of La Rue and by him indorsed, was signed by F. L La Rue as president of the savings bank. Others were signed by the cashier or assistant cashier. The one in suit was issued directly to Apple, and is signed by the cashier of the savings bank. From this recital of the facts it is apparent, we think, that the first transaction was in fact and form a deposit, and it is just as clear that the second transaction both in form and fact was a loan. La Rue had not deposited any money upon which this second certificate was issued nor had Apple nor the bank. The National Bank simply gave the Corning Savings Bank credit for the amount of the certificate issued to La Rue, and was in no sense a depositor. By no stretch of the imagination may this last transaction be said to be a deposit. As to the first the Corning Bank was not applying for a loan. It was not so far as shown in need of money, but it consented to receive money which Apple proposed to deposit as such and to issue its certificate therefor. Either Apple or his indorsee could have withdrawn the money at any time, and the mere fact that the certificate of deposit drew interest at a large rate is not controlling. The certificate does not show that it was a time one, and, if it did, this would not be controlling. As to the first transaction, the relation of borrower and lender did not exist, but rather that of banker and depositor. As to the second, the relation was clearly that of borrower and lender. The facts and circumstances surrounding these transactions are the strongest arguments that can be presented in favor of the conclusions reached. That one bank may be a depositor in another is not seriously controverted. That it may be, see Elmira Bank vs. Davis (73 Hun [N. Y.] 357, 26 N. Y. Supp. 200.)

The trial court was in error in disallowing the claim on the first certificate, and failing to treat it as a preferential one under the rule announced in State vs. Bank (127 Iowa, 198, 103 N. W. 97).

2. The only other question is: What shall be done with the claim upon the second certificate in suit which we have found to be a loan to the savings bank? Appellant insists that it shall be allowed as a general claim against the receiver, while appellee contends that the trial court was correct in holding that it is entirely invalid because prohibited by law. Code, sec. 1855, provides that "no savings bank, its directors or trustees shall contract any debt or liability against the bank for any purpose whatever, except for deposits, and the necessary expenses of managing and transacting its business, and to pay obligations incurred for the purpose of obtaining money with which to pay deposits." It is contended that the loan was in contravention of this statute, and that no recovery may be had on account of that fact. Upon this proposition the authorities are in conflict. In solving this question, it is important to distinguish between ultra vires and illegal contracts. If the contract was simply ultra vires, the bank having received the benefits thereof, would be estopped to deny its liability. But, if the contract be one prohibited by law, and therefor unlawful, then no recovery may be had thereon. The adjudicated cases and the reasons for the rule are collected in Re Insurance Co., supra, and need not be repeated here. Even where there is an express prohibition, the question of validity of the contract depends somewhat upon the purpose of the statute. If for the benefit of those who might be prejudiced if violation thereof were permitted, the persons thus to be prejudiced may plead the invalidity of and defeat the contract. This statute was evidently for the benefit of those who cared to make deposits of their savings, and to prevent banks chartered for that purpose from engaging in a general banking business with all its incidents and hazards; and the Legislature saw fit to prohibit such banks from engaging in certain forms of business. This was for the benefit of the customers, de-

positors, and creditors of the bank; and, when such a bank becomes insolvent, those creditors whose loans were prohibited should not be allowed to share with the other lawful creditors. See, as sustaining these conclusions, Visalia Co. vs. Sims, 104 Cal. 326, 37 Pac. 1042, 43 Am. St. Rep. 105; McNulta vs. Bank, 45 N. E. 954, 56 Am. St. Rep. 203; Beecher vs. Mill Co., 45 Mich. 103, 7 N. W. 695; New York Co. vs. Helmer, 77 N. Y. 64. The statute quoted is an express prohibition of such a transaction as took place between these banks, and of this intervener bank is conclusively presumed to have had knowledge. Thilmany vs. Iowa Co., 108 Iowa, 333, 79 N. W. 68; Railroad Co. vs. Bridge Co., 131 U. S. 371, 9 Sup. Ct. 770, 33 L. Ed. 157. Doubtless this is the reason why the second transaction assumed the form it did. Some cases seem to hold that, even where the transaction is prohibited by law, if a benefit has been conferred upon the promisor, recovery may be had of him as for money had and received; but none of them to which our attention has been called permit recovery upon the contract itself. Whatever the rule upon this subject, there can be no recovery here for the reason that the pleadings will not justify it. The rule to which we have just referred is stated in Re Insurance Co., supra. There is a manifest distinction between this rule and the one which allows recovery in certain cases by reason of an estoppel. In the latter case recovery is upon the contract, while in the former it is upon an implied or quasi contract created by law. One cannot by plea of estoppel evade the laws of the state and reap the benefits of a prohibited agreement. The trial court was right in dismissing the claim on the second certificate. As sustaining these conclusions, see Bank vs. Church, 129 Iowa, 270, 105 N. W. 578; Fidelity Ins. Co. vs. Bank, 127 Iowa, 591, 103 N. W. 958; Watts vs. Life Ass'n, 111 Iowa, 90, 82 N. W. 441.

The result is that the trial court was in error in denying the claim on the first certificate, and that it correctly disallowed the claim on the second. The case will be remanded for an order in harmony with this opinion. Each party will pay one-half of the costs of this appeal.

Reversed in part and affirmed in part.

BILL OF EXCHANGE—FOREIGN —PLACE OF DRAWING FIXES LIABILITY — DEFINITION — FAILURE TO PROTEST—LIABILITY OF DRAWER.

AMSINCK, ET AL. VS. ROGERS, ET AL.

Court of Appeals of New York, Oct. 1, 1907.

A drawer of a bill of exchange is discharged by the failure to protest it where it was drawn, though the law where it was payable was different. The drawer guarantees its acceptance and payment in a foreign place on which it is drawn, and agrees, on default of payment on due notice, to reimburse the holder at the place where the contract was made.

A draft by a firm in New York on a firm in Austria, requiring the drawee to pay on demand a specified sum to the order of the drawer and charge the same to a cargo shipped to the foreign firm by a certain steamship, is a foreign bill of exchange within the meaning of the Negotiable Instruments Law of New York.

Under the laws of Austria the instrument was a mere commercial order for money, of which no protest was required; but under the laws of New York, where it was drawn, protest must be made, and the failure of the drawees to protest it renders the drawers not liable.

Hiscock, *J.:* Appellants brought this action as holders of a certain instrument for the payment of money drawn by the respondents to their own order upon parties in Austria, and then indorsed and delivered for value to the appellants. The bill of exchange, as we shall for the present denominate it,

was not paid by the drawees, and thus far recovery against the drawers has been refused upon the ground that there was not proper protest and notice of protest. The material facts are not disputed, and the only questions presented for our consideration upon this appeal arise in connection with the rejection by the trial court of certain evidence of Austrian laws and usages offered for the purpose of excusing protest and notice thereof.

Respondents were iron merchants doing business in the city of New York, and appellants were bankers doing business in the same place. The former made a sale of iron to Messrs. A. Herm. Fraenckl Soehne, of Vienna, Austria, and against said sale drew the instrument in question, which reads as follows:

"New York, Jan. 8, 1901.

Exchange for £2,258 6|8.

On demand of this original cheque (duplicate unpaid) pay to the order of Rogers, Brown & Company, Twenty-two hundred and fifty-eight pounds 6|8, payable at rate for bankers cheques on London value received and charge the same to account of pig-iron per S. S. Quarnero.

Rogers, Brown & Co.

To Mess. A. Herm. Fraenckl Soehne,
Ruepgasse, Vienna, Austria.
No. 75."

This bill was drawn and indorsed and transferred to appellants in New York. There was delay in the shipment of the iron, so that when the consignees and drawees of the bill were notified thereof they refused to carry out their purchase thereof unless an allowance was made, and this condition was complied with by respondents. January 8, 1901, the bill was forwarded by the appellants to Vienna for collection, where it was received January 22. It was presented to the drawees on the same day, but the collecting agent was requested by the latter not to present it at that time because there were certain differences then existing between them and the drawers concerning the iron in question which probably would be adjusted in a short time. The agent thereupon withdrew the bill, and it was not protested, and the respondents were not notified of the presentment and non-payment. January 28, 1901, the bill was again presented by the agent to the drawees, and payment again demanded, when practically the same request was made that presentment be withdrawn, and the same process repeated; there being no protest, and no notification of presentment and non-payment being given to respondents. February 12, 1901, the bill was again presented, and payment formally demanded, which was refused, but no protest was made, and no notice given to the respondents, except that on February 18 appellants' London agent, who had been advised of the presentment on February 12th cabled information thereof and of the refusal to pay, and upon the same day appellants by letter advised respondents thereof. February 21, 1901, in response to instructions from New York, the bill was presented to the drawees, payment demanded and refused, and protest made, and with what we shall assume to have been proper diligence appellants thereafter, and on March 11, 1901, mailed to respondents the notice of protest that day received through their agents; the respondents promptly taking the position that they were discharged for lack of proper protest. As bearing upon the merits of respondents' position, it appears that the steamer carrying the iron arrived at Genoa February 20, and that at that time the iron in question could have been sold at that place by the respondents at the same price at which it had been sold to the purchasers in Vienna if the bill had been promptly protested. Upon arrival in Austria, the purchasers refused to accept the iron, and it was sold for the sum of $5,738.38 for the benefit of whoever might be concerned, leaving an unpaid balance upon the bill of $4,364.45.

It is practically conceded by the learned counsel for the appellants that, if the latter's obligation to cause protest and notice of protest of this bill is to be measured by the laws of New

York where it was drawn and transferred by respondents, there has been a failure of necessary steps which prevents a recovery. Recognizing this, he sought, as already suggested, to introduce evidence establishing a different and less rigorous obligation upon the part of the appellants. This evidence was to the general effect that in Austria, where the same was payable, the instrument involved was not a bill of exchange nor a check, but a "commercial order" for the payment of money which was negotiable, and which might be presented as often as occasion arose; each presentment being legally good as any other, and no protest or notice of dishonor to the drawer being required. In connection with the rejection of this testimony, which presents the only questions upon this appeal, appellants' counsel has seemed to argue the proposition, broader than the evidence offered, that the rights of the drawer of a bill of exchange to protest and notice are governed by the laws of the place where the bill is payable, upon the assumption that in this case such view would excuse the omissions complained of by respondents. We shall first discuss this general proposition so urged, and, as we believe, shall demonstrate that the weight of authority is that the rights and obligations of the drawer of a bill of exchange are determined and fixed by the law of the place where he draws it, and, as in this case, transfers it, and that he is discharged by failure to protest the same in accordance with the laws of that place; such failure being due to different laws or customs prevailing in the country where the bill is payable.

It is familiar law that the contracts of the different parties to a bill of exchange are independent and carry different obligations. The drawer of such a bill does not contract to pay the money in the foreign place on which it is drawn, but only guarantees its acceptance and payment in that place by the drawee, and agrees, in default of such payment, upon due notice, to reimburse the holder in principal and damages at the place where he entered into the contract. His contract is regarded as made at the place where the bill is drawn, and as to its form and nature and the obligation and effect thereof is governed by the law of that place in regard to the payee and any subsequent holder. (Story on Bills of Exchange, secs. 131. 154.)

While as to certain details, such as the days of grace, the manner of making the protest, and the person by whom protest shall be made, the law or custom of the place where it is payable will govern, the necessity of making a demand and protest and the circumstances under which the same may be required or dispensed with are incidents of the original contract which are governed by the law of the place where the bill is drawn, rather than of the place where it is payable. They constitute implied conditions upon which the liability of the drawer is to attach according to the *lex loci contractus*. Id. secs. 155, 175.

Counsel for appellants especially relies upon two cases to sustain his proposition that the rules laid down by Story have not been adopted in this state. The first of these cases is that of Everett v. Vendryes, 19 N. Y. 436. This was an action by the indorsee against the drawer of a bill of exchange drawn in New Granada upon a corporation having its office in this state. It was payable to the order of one Jimines, indorsed by him at Cartagena and was protested for non-acceptance. The answer denied the indorsement of Jimines in general terms. The plaintiff claimed to be the indorsees according to the legal effect of the bill. The indorsement was not good and sufficient according to the laws of New Granada, but was so according to those of New York. The question therefore was whether for the purpose of bringing an action against the drawer of the bill upon nonacceptance by the drawee in New York State the indorsement was to be tested by the laws of New Granada, where it was made, or by the laws of New York, where the bill was payable.

It was held that the laws of New

York should govern, and Judge Denio, in writing for the court said:

"I have not been able to find any authority for such a case, but I am of opinion that upon the reason of the thing the laws of this state should be held to control. These laws are to be resorted to in determining the legal meaning and effect and the obligation of the contract. All the cases agree in this. In this case the point to be determined was whether the plaintiffs were indorsees and entitled to receive the amount of the bill of the drawees. This was to be determined, in the first instance, when the bill was presented for acceptance and payment in New York. The plaintiff's title was written on the bill. The question was whether it made them indorsees according to the effect of the words of negotiability contained in the bill itself. These words and the actual indorsement were to be compared, and the legal rules to be employed in making that comparison were found in the law merchant of the state of New York, and by those rules the indorsement was precisely such a one as the bill contemplated. Besides, it is reasonable to suppose that, in addressing this bill to the drawees in New York, the defendant contemplated that they would understand the words of negotiability according to the law of their own country. * * * When, therefore, he directed the drawees to pay to the order of the payee, he must be intended to contemplate that whatever would be understood in New York to be the payee's order was the thing which he intended by that expression in the bill."

In other words it was held that the indorsement was made for the purpose of enabling the indorsee to present and collect the note in New York, and that an indorsement which was effective for that purpose under the laws of the state where performance would be sought was sufficient. It does not seem to us that this decision in any way conflicts with those to which we have already referred. It is true that the learned judge commences his opinion with some general observations as to the principles conceived to be applicable to ascertaining the nature and interpretation of a bill of exchange. Such observations, however, constituted nothing more than a dictum, and were not sufficient in our opinion to outweigh the authorities to which we have already referred.

The case of Hibernia National Bank vs. Lacombe (84 N. Y. 367, 38 Am. Rep. 518) involved consideration of a draft drawn in New Orleans upon New York bankers. The case was disposed of upon the theory that the instrument was a check, which, of course, was the fact, and the obligations of the drawer of a check, as stated in the opinion, are entirely different from those of the drawer of a bill of exchange. The former undertakes that the drawee will be found at the place where he is described to be, and that the sum specified will be paid to the holder when the check is presented, and if not so paid, and he is notified, he becomes absolutely bound to pay the amount at the place named. In other words, the drawer of a check contracts to pay at the place where the check is payable, instead of, as the drawer of a bill of exchange does, at the place where the instrument is drawn. It is not therefore in conflict with our views to hold that the rights of the parties in the case of such a check should be determined by the law of the place of payment; in other words, the place of performance by the drawer.

In the first place, if we have correctly measured the weight of authority, it establishes the proposition that respondents' contract as drawers was to be performed in New York, where the bill was drawn, and therefore the rule quoted, if applicable, would lead to the conclusion that demand and protest so far as they were concerned would be governed by the laws of New York. In the second place, the question involved in the Chapman Case was not at all akin to that presented here, and we do not believe that the judge there writing intended to approve the rule that as against drawers in New York of a bill of exchange entire omission of protest

might be justified by local custom and usages in a foreign country. We think that he had in mind certain comparatively inconsequential details of the manner and method of making demand and protest, and which, as we have already seen, may be affected by local custom and usage, rather than the entire omission of these important acts.

Thus far we have assumed that the instrument in suit was a bill of exchange, but we have also considered whether the drawer's rights to protest and notice were governed by the laws of Austria as though the adoption of the view that they were so governed would excuse omission of those steps. As a matter of fact, however, the appellants would not be benefited if we should hold, in this connection, that the laws of Austria did control, for no evidence was received or offered that the drawers of a bill of exchange would not be entitled to the same protest and notice under the laws of that country as under those of New York. Appellants' only excuse for the omission of these steps rests upon the final proposition that this is not a bill of exchange at all, nor even a check, but is what is known in Austria as a "commercial order" for the payment of money of which no protest need be made. Support for this proposition, it is said, would have been found in the rejected evidence which would have established as the Austria law that a bill of exchange must be so designated in the body of the instrument itself, and that such designation by mere superscription as was found upon the instrument in suit is not sufficient. Therefore, on a close and final analysis of appellants' argument it is indispensable that they should convince us that their rejected evidence would have established that this was not to be regarded as a bill of exchange, but as a commercial order. We shall assume that under the Austria law it was a commercial order. On the other hand, there is no doubt, and in fact it is not denied by the learned counsel for the appellants, that it was a bill of exchange under the laws of the state of New York.

The Negotiable Instruments Law, Laws 1897, p. 745, c. 612, as amended, provides as follows:

"Sec. 210 Bill of exchange defined. —A bill of exchange is an unconditional order in writing addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand or at a fixed determinable future time a sum certain in money to order or to bearer."

"Sec. 213. Inland and foreign bills of exchange.—An inland bill of exchange is a bill which is, or on its face purports to be, both drawn and payable within this state. Any other bill is a foreign bill. Unless the contrary appears on the face of the bill, the holder may treat it as an inland bill."

"Sec. 321. Check defined.—A check is a bill of exchange drawn on a bank payable on demand."

It sufficiently appears that this bill was drawn upon a business house and was not a check. It was therefore a foreign bill of exchange according to the laws of New York. And so, again, we are confronted with the inquiry whether the rights of these respondents as to the nature of this instrument shall be measured by the laws of New York or by those of Austria. It seems to us clear that it must be the former. The parties had their places of business in New York. The bill was there drawn and negotiated and transferred to the appellants. The contract of the respondents was executed and consummated there, and, as we have already seen, was to be performed there upon default of the drawees. The law of New York surrounded the parties and the execution of their contract, and in our judgment it would be, not only erroneous, but highly unreasonable, to hold that they contracted with reference to any law other than that of New York, or intended that their contract should be other than that which such law made it —a bill of exchange. The authorities which already have been cited with reference to the contract and rights of

the drawer of a bill of exchange are amply sufficient to sustain this view.

Lastly, it is suggested that the decision which we are making will impose much trouble and responsibility upon those who are held for the proper demand and protest of paper in foreign countries where commercial laws and usages differ from our own. We do not see much balance of weight in favor of this argument, even if it is to be considered. In a case like this, there would be no great difficulty in forwarding with the bill instructions for its proper protest such as were finally given. Some such precaution would not be more onerous tha would those otherwise imposed upon a party to a New York bill of ascertaining the law of the foreign country where it was payable in order that he might learn in what manner the rights secured to him where his contract was made would be altered and perhaps materially impaired.

Therefore we conclude that no error was committed to the prejudice of appellants, and that the judgment appealed from should be affirmed, with costs.

NOTE—FORGERY — SIGNATURE AFFIXED WITHOUT AUTHORITY—LIABILITY OF PARTIES TO WRONG — PRESUMPTION OF ORDER OF SIGNATURES—LIABILITY OF SIGNER RELYING ON GENUINENESS OF PRECEDING SIGNATURES.

BEEM VS FARRELL.

Supreme Court of Iowa, Oct. 23, 1907.

Under the Negotiable Instruments Law proof that one of the signatures to a note was forged or affixed without authority does not avoid the note in favor of those who signatures are genuine.

It may be presumed that the signatures on a note were affixed in the order in which they appear, unless there is evidence to the contrary.

If one signature to a note is forged or affixed without authority, the note is not thus made unenforceable against all the other signers who were parties to the wrong; but if one had affixed his signature in the belief that the preceding signatures were genuine, and that he was assuming a joint liability, he is not liable.

The evidence properly in the record tended to show that the signatures of E. D. Farrell and Anna Farrell appearing on the note were genuine. So, also, that the name of Thomas Farrell was placed on the note by E. D. Farrell, and this without authority. The jury were instructed that if they should find that some one, but not all, of the defendants signed or gave the note in question, then their verdict should be for the plaintiffs and against such defendants as they find from the evidence did give or sign the note, and as to such defendants as they should find from the evidence did not give or sign the note their verdict should be in favor of such defendants or defendant. The objection now made with reference to this instruction is that it authorizes a recovery on the instrument as against E. D. Farrell and Anna Farrell, although the jury should find the name of Thomas Farrell was not signed thereto either by him or by his authority; it being conceded that his name appears as a signer of the instrument. It is not incorrect, as we conceive, to say—speaking abstractly—that one who has signed a note understandingly must be held bound by his signature; likewise, that one who has not signed, either by his own hand or by that of his authorized agent, should not be bound as a maker. But it does not follow that proof of one forged signature on a note must of necessity, and in all cases, be given effect to avoid the note in favor of those whose signatures thereto are found to be genuine.

Such a result is not dictated by Code Supp. 1902, sec. 3060a23, as counsel for appellant seem to think. That section reads as follows:

"Where a signature is forged, or made without the authority of the person whose signature it purports to be, it is wholly inoperative and no right

to retain the instrument, or to give a discharge therefor, or to enforce payment thereof against any party thereto, can be acquired through or under such signature, unless the party against whom it is sought to enforce such right is precluded from setting up the forgery or want of authority."

It is the forgery or unauthorized signature that is declared to be inoperative; and the inhibitory clause forbids recovery on the instrument as against any party where the right of recovery is predicated on such inoperative signature. Stated in another way, the forged or unauthorized signature cannot be made the basis of any right against any party to the instrument on which such signature appears.

The further argument against the instruction is that there was a fraudulent alteration, and that this had effect to destroy the instrument, so that no recovery can be had thereon as against any of the parties. The trouble with this argument is that in neither pleading nor evidence is that any pretense of an alteration in the note. The specific allegation in the answer is of a forgery, and, in evidence, defendants sought only to substantiate that allegation. Assuming, for the purposes of the question, that the evidence was sufficient to warrant a finding that the name of Thomas Farrell was placed on the note by E. D. Farrell, and without authority, we think it would be violative of every principle of law and morals to permit him to avoid the note by pleading as against the innocent holder of his own wrongful act. No man can be permitted to advantage himself out of his own wrong. Nor could Anna Farrell take advantage of such wrong if she was a party to it—either actively in procuring it to be done, or passively by acquiescence on full knowledge; and especially is this true if it shall remain to be said, as we think possible, that, following the wrong done, she affixed her signature to the note. The order in which the signatures appear is first E. D., then Thomas, and then Anna; and in the absence of any evidence to the contrary a jury would be warranted in finding that the signatures were affixed in the order in which they appear. So, also, it may be conceded that, in the face of a finding that Anna Farrell affixed her name to the note without knowledge of any infirmity inhering to the signature of Thomas, there could be no ground on which to plant a holding of liability on her part in favor of the payee. But this would be because, having signed the note in faith of the genuineness of the preceding signature, and believing that she was assuming a joint liability with her husband and his brother, to charge her with liability would be to give countenance to fraud.

For the error pointed out, the judgment against the appealing defendants is reversed, and the case remanded for a new trial as to such defendants.

Reversed.

NOTE—DISCOUNT OF FRAUDULENT PAPER — KNOWLEDGE OF PRESIDENT.

MC CALMONT VS. LANNING.

Circuit Court of Appeals, Third Circuit, April 19, 1907.

A bank is not chargeable with notice of fraud in the inception of a note which it discounted merely because its president had knowledge of the facts that he gained in his capacity as an officer of another corporation, where he had nothing to do with the discounting of the note, and had no knowledge of it at the time.

BUFFINGTON, *Circuit Judge:* In this case John E. Lanning, receiver of the Monmouth Trust & Safe Deposit Company, brought suit against Robert McCalmont on a negotiable promissory note for $5,000, dated January 28, 1903, payable to his own order in four months, and by him indorsed.

The court below gave binding instructions for plaintiff, which action is here assigned for error.

After examining the proofs, we are of opinion there was, under the proofs, no question to submit to the jury. Assuming, for present purposes, that fraud

was practiced on the defendant in securing from him the note for the stock of the Fraser Mountain Copper Company, and that Twining, the president of that company, had knowledge of that fact, still the mere fact that such officer was also president of the plaintiff company does not visit the latter with notice. There is nothing in the record tending to show that the trust company did not discount the note in good faith before maturity, or that Twining had anything to do with, or indeed knew of, its discount. Now, in Willard vs. Denise (50 N. J. Eq. 482, 26 Atl. 29, 35 Am. St. Rep. 788), it is held that to visit a bank with knowledge of its officer, gained in another relation, two things are necessary: First, possession by the agent of pertinent information; and, second, such agent's participation in the discount or purchase on behalf of the corporation. In view of that case and of First National Bank vs. Christopher (40 N. J. Law, 439, 29 Am. Rep. 262) and Barnes vs. Trenton Gaslight Co. (27 N. J. Eq. 33), we hold the trust company was not visited with the knowledge of its president, Twining, and was, therefore, an innocent purchaser.

The remaining question relates to a dispute as to whether the trust company paid a certain check of the Fraser Mountain Copper Company, and charged that company with such payment. The plaintiff in error contends there was evidence tending to show that the sum of $6,678.81 (being the amount for which the check is alleged to have been given) was, after February, 1905, fraudulently entered as a debit item in the account of the Fraser Mountain Copper Company, and that the trial court erred in not submitting that evidence to the jury on the question of alleged fraud. Now, such question of fraud rests wholly on the testimony of Percival Kroehl, who says he examined the ledger account of the Fraser Mountain Copper Company in February, 1905; that the foregoing item of $6,678.81 was not in it at that time, and that he then made a copy of the account which shows that fact. An examination of the proofs shows to a demonstration that he overlooked that item in making his copy. Without going into a full analysis, it suffices to say that Kroehl's copy shows a credit balance of $184.02 when he made it. Now, that balance cannot be obtained from the items in his copy unless the item of $6,678.81 is placed in the debit column. When to this is added the uncontradicted testimony of the accountant of the banking department of the state of New Jersey that he examined the books in February, 1903, and not only then found the item in the account, but that he found it also in a check list kept by the trust company, it conclusively appears that the item had been paid on the check above mentioned. There being no evidence upon which the court could have sustained a verdict in favor of the defendant, a direction to find in favor of the plaintiff was not error. (Randall vs. Baltimore & Ohio R. R. Co., 109 U. S. 478, 3 Sup. Ct. 322, 27 L. Ed. 1003.)

The judgment is affirmed.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B.A., LL.B., Barrister, Toronto.]

PROMISSORY NOTE — DOCUMENT PROVIDING FOR OTHER THAN THE PAYMENT OF MONEY.

TRAVIS VS. GRAHAM (41 Nova Scotia Reports, 226).

STATEMENT OF FACTS: This was an action brought on an alleged promissory note, which read: "Deliver one style No. 475 Karn Organ at Glace Bay, for which we agree to pay the sum of $415 and old organ, 6, 12, and 18 months from this date." It was signed by defendants and addressed to Messrs. Miller Bros. & McDonald. The contract or alleged note was made over to Travis by endorsement.

Judgment (MEAGHER, *J.*): There was no payee named in the note. Apart from that, it is clear it was not a prom-

issory note at all. The definition of a bill of exchange in the statutes may be regarded, for the present purposes, as in terms the same as that given of a note. There is a sub-section to the Bills of Exchange definition which says that an instrument which does not comply with the prescribed conditions, or which orders any act to be done in addition to the payment of money, is not a bill of exchange. This sub-section is made applicable to note A by section 186 of the act making enactments as to bills of exchange apply with the necessary modifications to notes. And a note is defined as an unconditional promise in writing made by any person to another, signed by the maker, engaging to pay on or demand or at a fixed or determinable future time a *sum certain in money* to, or to the order of, a specified person, or to bearer.

Applying the statute, the inevitable conclusion is that the so-called note is invalid, because it provides for something to be done by the maker in addition to the payment of money; namely, the handing over of an organ. Not being a note, it was not negotiable by endorsement.

PROMISSORY NOTES — MATERIAL ALTERATION—ACQUIESCENCE—PROMISES OF PAYMENT.

HEBERT VS. LA BANQUE NATIONALE

(Quebec Reports, 16 K. B. 191.)

HEAD-NOTE: The joint maker of a promissory note is held to acquiesce, within the meaning of section 145 of the Bills of Exchange Act, to a material alteration which has been made in the note when, knowing of the alteration, he promises to pay the amount of the note and later renews this promise.

JUDGMENT: (BOSSE, BLANCHET TRENHOLME AND CARROLL, *JJ.*): This was an appeal to the Court of the King's Bench, the facts of which appeal sufficiently in the judgment of Mr. Justice Carroll, speaking for the court.

On September 11, 1907, the appellant and a man named Roy signed a promissory note for the sum of two thousand dollars in favor of the Banque Nationale. There was no provision for interest in this note, but one of the makers, Roy, without knowledge of the appellant, Hebert, added these words, "with interest at seven per cent. per annum." The court is of the opinion that these words constituted a material alteration within section 145 of the Bills of Exchange Act, which says: "Where a bill of acceptance is materially altered without the assent of all parties liable on the bill, the bill is voided except as against the party who has himself made, authorized, or assented to the alteration, and subsequent endorsers."

The appellant did not consent to the alteration when it was made, but the question is on the evidence; did he assent to it afterwards? The accountant of the bank said the appellant went to the bank about April 1, 1904, and having asked to see and being shown the note said, "This is my note, I acknowledge it, I will pay you, but Mr. Roy will pay his share of it * * * the bank will not lose a cent * * * I will pay it." According to the accountant's evidence, the appellant held the note in his hands while making this statement, and we are compelled to conclude that he then knew of the alteration which had been made by Roy. The manager of the bank testified that on April 14 he had met the appellant, who had said to him, "If the bank will be good enough to wait until June, I will pay you." On the evidence we have no doubt that Hebert, knowing of the alteration, promised to pay the note and cannot now avail himself of the alteration in it made subsequent to his signing of it. Eaton & Gilbert say, "Where a person, after full knowledge of an alteration, unconditionally promises to pay, it is a sufficient ratification, and if the party liable on an instrument, with knowledge of the alteration, applies for and receives an extension of the time for payment, he will be deemed to have ratified it."

PROMISSORY NOTES—SEVERAL LIABILITY OF CONJOINT MAKERS.

CONGREGATION OF ROUMANIAN JEWS SETH DAVID VS. BACKMAN, ET AL.

(Quebec Reports, 31 S. C. p. 23.)

JUDGMENT: (PAGNUELO, *J.*): Two persons signing a bill or note become bound, either conjointly or severally, according to its tenor. In the case in question the debt for which the note was given was originally a joint debt, and the several liability of the two makers is not expressed in it in any way save that it reads, "I" promise, etc. This, however, creates a several liability in each maker under sec. 179 of the Bills of Exchange Act.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking aw—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answer... this department.

A reasonable charge is made for Special Replies asked for by correspondents—to be promptly sent by mail.

CHECKS—DUTY OF BANK WHEN FUNDS INSUFFICIENT TO PAY ALL.

PHILADELPHIA, December 6, 1907.

Editor Bankers' Magazine:

SIR: What is the required duty of a bank when two or more checks are presented simultaneously through the clearing-house, the balance to the depositor's credit being less than the total amount of all the checks, but with sufficient funds to cover some? Should all the checks be refused or be paid up to the balance, and return the others?

L. N. S.

Answer:—In all the states where the Negotiable Instruments Law has been adopted, the proper course for the bank to pursue in such a case is to pay such checks as the balance is sufficient to meet and return the others. That statute provides that "a check of itself does not operate as an assignment of any part of the funds to the credit of the drawer with the bank, and the bank is not liable to the holder, unless and until it accepts or certifies the check." (Sec. 189, Pa. Act.) The bank, therefore, is not concerned with the rights of the check-holders as between or among themselves. Its only obligation is towards its own depositor, and to him it owes the duty of paying his checks so far as he has funds on deposit applicable to that purpose. If, for example, the drawer's balance should be, say, $1,000, and he should draw twenty-one checks for $50 each, the duty of the bank would be to pay twenty of those checks. If it should return them all, it would plainly render itself liable for wrongfully refusing to pay. This necessarily requires that the bank shall select which checks to pay and which to return; but the depositor, to whom alone the bank is accountable for its action, has no right to complain of the selection made, since the fault was his in overdrawing his account, and in imposing upon the bank the necessity of making a choice.

CIRCULATION OF FALSE RUMORS ABOUT A BANK.

NEW YORK, Dec. 14, 1907.

Editor Bankers Magazine:

SIR: Please inform me whether a person can be reached through the United States courts who wilfully and with intent to injure a national bank, circulates rumors that would tend to reflect upon the institution, or cause any deposit to be withdrawn from said bank, there being no reason or foundation for such rumor. I fail to find any such section in the Revised Statutes, and your views upon the question will be appreciated. CASHIER.

Answer.—There is no statute of the United States which applies to this

case, but the state laws are applicable. In the case of the American National Bank (Leadville, Colo.) vs. Fletcher, the plaintiff obtained judgment for statements made by the defendant with regard to the condition of that bank. A similar suit, resulting in the favor of the plaintiff, was that of the Germania Savings Bank of New Orleans against the publisher of a local newspaper. The penalty in this case was a fine of $1,000 and imprisonment for two years.

FORM OF NOTE—WAIVER OF PROTEST.

St. Johnsbury, Vt., Dec. 6, 1907.
Editor Bankers Magazine:

Sir: In one of your magazines I noticed a form of promissory note which pleased me. It was a common personal note and had in it a clause which held the signers and endorsers of the note without notice of protest or statute of limitations. If you do not remember the note, can you refer me to a form which would cover these points? I think the note referred to was contained in the correspondence from some bank in which the cashier claimed that he had used the note in his bank and recommended it to others as an iron-clad note—that is, one that would hold the signers and endorsers of the note absolutely against lapses of notice, etc.

W. S. Boynton, *Treasurer.*

Answer.—We have at various times published forms of promissory notes, but cannot be certain as to the particular instance referred to by our correspondent. In regard to waiver of presentment for payment, etc., the phrase, "the indorsers waive demand of payment and notice of dishonor" is quite sufficient; and where this language appears on the face of the instrument, it binds all the indorsers. (Phillips vs. Dippo, 93 Iowa, 35; Bryant vs. Taylor, 19 Minn. 396; Farmers' Bank vs. Ewing, 78 Ky. 264.) In those states where the Negotiable Instruments Law has been adopted, it is sufficient to say, "Protest is waived," for by that statute "a waiver of protest, whether in the case of a foreign bill or other negotiable instrument, is deemed to be a waiver not only of a formal protest, but also of presentment and notice of dishonor." (Sec. 182, N. Y. Act.) But we doubt if an effective waiver of the statute of limitations can be embodied in a promissory note; for while agreements to waive the statute, in so far as they operate to start the statute anew, or to postpone its operation for a reasonable time, are valid, the courts will not uphold an agreement which will suspend the statute for all time to come; and hence an agreement contained in the face of a note binding the maker not to plead the statute is wholly void, as being subversive of a wholesome statute and contrary to public policy. (Green vs. Coos Bay Wagon Road Co., 23 Fed. Rep. 67; Moxley vs. Ragan, 10 Bush. [Ky.] 156; Wright vs. Gardner, 98 Ky. 454; Trask vs. Weeks, 81 Me. 325; Kellogg vs. Dickinson, 147 Mass. 432; Crane vs. French, 38 Miss. 531; Smith vs. Gillette, 59 Tex. 86; Nunn vs. Edmiston, 9 Tex. Civ. App. 562.)

NOTES HELD AS COLLATERAL—BANKRUPT ESTATE.

Beaumont, Texas, Dec. 17, 1907.
Editor Bankers Magazine:

Sir: In the August (1906) number of your Magazine, in answer to a question of mine, you were kind enough to render an opinion as to the right to prove up a claim against a bankrupt estate on notes held as collateral, which proved to be forgeries but bearing genuine endorsement. This case has been decided in the U. S. Circuit Court of Appeals, 5th Circuit, at New Orleans. The title of the case is The First National Bank of Beaumont vs. Geo. W. Eason, Trustee. The decision of the court is adverse to your holdings. We conceive this case to be of some importance to the banking fraternity, and call your attention to it that you may,

if you see proper, ask for a report on it.

W. S. Davidson, *President*.

Answer.—The opinion of the Circuit Court of Appeals in the case cited is as follows: "The appellant has two obligations of the bankrupt, one is on a note of $15,000, of which the bankrupt was maker, the other is on an indorsement on a forged note for $15,000, given as collateral to secure the first-mentioned note. The appellant seeks to prove both obligations against the bankrupt's estate. There was only one consideration, really only one debt, and the appellant is entitled to only one satisfaction. The payment of either obligation would extinguish the other. The District Court held that the appellant could not prove both and thus establish a double liability against the bankrupt's estate." It will be seen that the question considered by the court was whether the bank could prove both obligations against the bankrupt's estate. But in the inquiry referred to, the question asked was: "In other words, is the payee responsible or liable on the forged notes bearing his genuine indorsement in a bankrupt court?" This question we answered in the affirmative, and the court has not decided otherwise, but conceding the right of the bank to prove on the indorsement has held merely that it can not prove on the other obligation also.

EXPORT OF MANUFACTURES.

EXPORTS of manufactures from the United States aggregated more than three-quarters of a billion dollars in value in the calendar year 1907. Eleven months' figures supplied by the Bureau of Statistics of the Department of Commerce and Labor show exports of manufactures aggregating over 700 million dollars, a monthly average during those eleven months of 64 millions, thus justifying the statement that the December figures, not yet available, will bring the total for the year above the three-quarters of a billion dollar line.

This means that the exports of manufactures have averaged more than two million dollars a day during the entire year, including every day in the calendar year. It was only beginning with the year 1899 that the exports of manufactures reached as much as one million dollars per day, basing the statement upon the average of the year, while prior to 1890 they had never reached as much as a half million dollars a day. On only three occasions during the past year did the value of manufactures exported fall below 60 million dollars for a single month. In the month of June they exceeded 70 million dollars, or as much for that single month as those of the entire year 1870 and considerably more than in any twelve months' period prior to that year. The value of manufactures exported in 1907 will approximate 770 million dollars, against 311 millions in 1897, 149 millions in 1887, 144 millions in 1877, 59 millions in 1867, and 41 millions in 1857, the figures of these earlier periods being those of fiscal years.

Thus it may be said in a word that the manufactures exported in 1907 averaged more than two million dollars a day, against less than one million dollars a day in 1897, and that the value of these exports in the single month of June was more than in the entire year 1870. The share which manufactures form of the total exports in the eleven months of 1907 for which statistics are available is 41.7 per cent., which slightly exceeds the share which manufactures formed of the exports in any earlier year.

WALL STREET MONEY.

THE Aldrich Currency Bill provides for a currency suitable to the needs of Wall Street stock speculators. The Fowler Bill provides for a currency suited to the needs of the business interests of the United States.

Which shall we have?

WOMEN IN BANKING.*

By Mrs. E. B. B. Reesor, of The Crown Bank of Canada.

A YOUNG woman upon leaving college wishes to enter into some profession or business. Banking, of all professions, offers the truest work, for banking is legitimate, it rings true, and in dealing with the public there is nothing to hide. Everyone is of equal importance who deals with the bank, everything is one price; there is nothing underhand or two-faced, and such business conditions—for man or woman—are elevating. Except there be a current of dishonesty in an officer of the bank and that officer makes dishonest conditions for herself, there can never be double dealing. For this reason alone, banking is the best profession that a young woman can prepare herself for. Truth is the greatest thing in the world, and to feel that in daily business intercourse "yes" means yes and "no" means no, leaves a woman conscience free and soul untainted at the end of every day, and she goes from her desk feeling that she has deceived no one, and that she has not been asked to believe what is untrue. This may be a new idea in selecting a profession—but is it not the *best* idea?

Main Office. The Crown Bank of Canada, Toronto.

APPLYING FOR A BANK POSITION.

Applications for bank positions should be made during the last school year. A letter should be sent to the highest working official of a bank, writ-

---

* In the June number of THE BANKERS MAGAZINE there appeared an article entitled "How to Get Women to Bank at Your Bank," which was written from The Crown Bank of Canada. This article brought many letters of inquiry both to the Bank and to the Magazine, and, at the request of the Editor, Mrs. Reesor has consented to answer some of them for the benefit of our readers.

ten in the applicant's own handwriting. The name and address of the father or guardian should be given, and also the addresses of three reliable persons to whom the bank officials may refer.

A personal interview is asked, and upon the result of this interview depends, in a great measure, whether the name shall be placed upon the probation list or not.

In The Crown Bank of Canada the following rules and regulations are given to women applicants to read, and the amount of the initial salary is also mentioned; should the applicant feel that she cannot comply with the rules or that the amount of salary is not what she desires, she is at liberty to say so, and her application is void.

General Manager's Office and Board Room, The Crown Bank of Canada, Toronto.

Rules and Regulations.

The Manager of the Women's Department shall see that each officer is supplied with a copy of the printed "Rules and Regulations" and that she understands them.

The Manager will be held responsible for the deportment and conduct of the women officers.

As far as possible, women officers shall live with their parents. When this is not possible, their place of residence must be approved by the bank.

Requirements for holding a position in the bank are based upon general character, education, manner, adaptability, discretion, ability to obey and willingness to learn.

Each appointee will be regarded as a probationer for three months from date of entry.

Each officer is expected to be at her desk (ready for work) not later than 9 a. m. during the summer months and 9.15 in winter.

Absence and the cause of absence shall be reported to the Manager of the Women's Department at once.

It is desired that each officer shall be attired in a dark or neutral colored business-like costume, with plain white collars and cuffs.

The Manager shall oversee the rooms set apart for women and make purchases under the approval of Head Office necessary for the Department.

She shall interview women customers and also prospective customers with re-

spect to business and shall acquaint herself with the personnel of those who make use of the rooms.

When the Manager of the Women's Department is also the Manager of the Savings Bank Department, she is directly under the supervision of the Manager of the branch in which the Department is, in so far as this particular department is concerned. Her duties, in this connection, consist of the general supervision of the Department, an intelligent knowledge of the duties of each officer, overseeing the work done, knowing the standing of the different accounts, noting the deportment of the clerks, etc.

No woman official shall work in the bank after 6 p. m. on week days and 3 p. m. on Saturdays, unless by special permission of the Manager of the Women's department, who must also be on duty at such times.

The Manager shall prepare a monthly report of her several duties and submit it to the General Manager during the first week of each month. This report must show:

1. The number of staff.
2. Days absent during the month.
3. The frequency of such absences.
4. Number of accounts opened.
5. Number of accounts closed.
6. Number of accounts standing on books.
7. Deposits received.
8. Withdrawals.
9. Balance.
10. Number of visitors to the office.

Women's Rest Room, West End, The Crown Bank of Canada, Toronto.

POINTS TO BE OBSERVED.

Having entered into the service of the bank, a young woman first signs her secrecy bond—which makes it binding upon her neither to speak of the business of the bank nor of the affairs of the persons connected with the bank—either customers or officers. She may not talk over bank matters with a fellow officer excepting in the most formal way. Bank clerks may never discuss among themselves the business or personal affairs of any customer, and the confidence that is placed in them is no more theirs to speak of than is the money placed on deposit theirs to spend.

The exercising of this keen sense of honor is beneficial to women, and the conscientious guard placed upon their lips is better than any accomplishment that could be mastered.

Obedience is not servility, and to be able to do what she is told without protest or comment, and to do it cheerfully and graciously, is also a gift.

Graciousness of manner and neatness in dress are imperative, yet the matter of dress was one that required tactful consideration and handling. There is a dignity about banking business that must be upheld, and the dress of the employees must be in keeping with it; but the rule prohibiting frills and furbelows was not an easy one to enforce. The time has come, though, when the same question is being discussed by all professional men, for it has been noticed that a woman's manner is generally in keeping with her style of dress, and gala attire is not conducive to the formalities of business. So strongly have some members of the legal profession felt about this, that they have refused to keep in their employment young women who cannot wear dark, neatly fitting gowns and white collars and cuffs.

Perfume is another accessory that will not be tolerated in a bank, and even scented soap in the wash-rooms is considered offensive to good taste.

How High a Woman Can Rise in the Bank's Service.

For this generation, very important positions will not likely be reached—and the fact that one or two women have reached high positions in the United States, *i. e.*, Mrs. Hetty Green—and I have not heard of the other one—is proof that what I say is true.

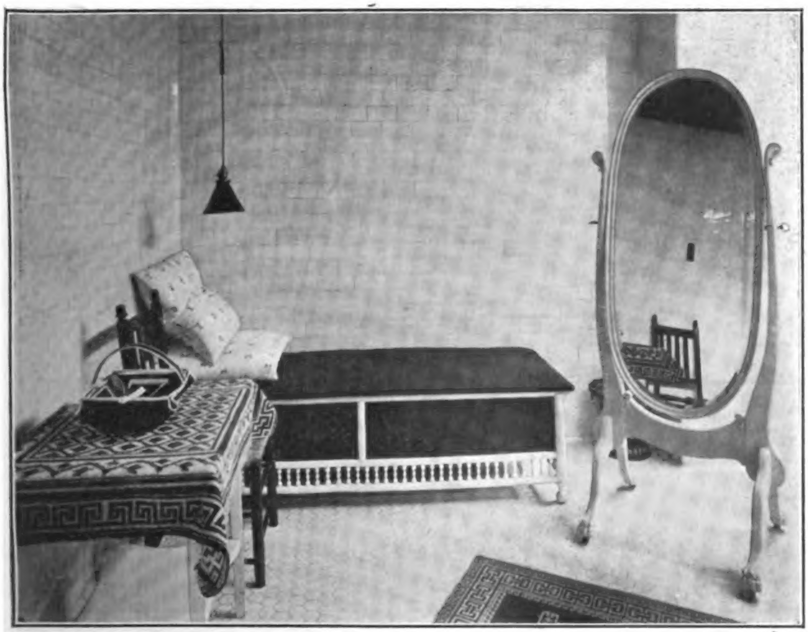
Women's Rest Room. East End. The Crown Bank of Canada, Toronto.

A woman is enrolled upon a bank staff at the age of 16, with a salary of $200 per annum, her first duties are those of helper or junior—she does whatever she may be told to do; she receives constant training from the officers above her and is really an apprentice who receives a money-portion instead of paying one. In six months she has an opportunity to advance $50 per annum, if she has proved herself a

willing and capable bank student. In another year she may be initiated into the keeping of certain ledgers with her salary increased to $300 or $350 a year. From there she enters the receiving teller's box with a salary of $400 or $450 according to the importance of the position. The paying teller's box or the position of general ledger keeper gives her anywhere from $600 to $800, and as manager of a department her salary is $1,000 per annum.

Qualifications for a Successful Banker.

Here are a few of the qualities that go to the making of the Chief Man of a bank. He must be head and shoulders above the ordinary, every-day man; he must be a square, yet an all 'round man; he must know men and understand matters; must be in touch with the big questions of the day and alive to the little ones. His finger must



Retiring Room, With Lavatory Opening Therefrom, for the Women Customers of The Crown Bank of Canada, Toronto.

There are other positions for women in banks, such as stenographers, filing clerks, advertising writers and secretaries, with salaries reaching as high as $1,500, but they are paid in a different ratio from the regular banking business clerks.

The next step, for men officials, is the management of a branch bank, but Canadian women marry about the age of 25, and the strict training received fits them as well for the management of a home as it does for the overseeing of a branch office.

But the woman who does not marry: what position can she reach?

be on the pulse of the stock market—but no nearer. He must know the values of commodities, both staple and special; must be conversant with the tendencies of affairs in foreign countries, and understand local conditions—standing of business men, values in real estate, the crop outlook, the timber cut, the fish catch, the condition of live stock. He must know the receipts from railways, the disbursements of manufactories—in fact, the everything that affects money—and all things do that. His judgment must be almost unerring, and his heart may not interfere with his head. Keen, decisive, tactful, firm

— these are but a few attributes of the chief of a bank. The money in his care is money in trust. It belongs to many people. Some of it must be invested, yet there are numerous permanent investments that he may not touch. Securities upon which he may make investments are those, only, that can be easily realized. A cash reserve is a necessity—as are call and short loans. He must have his customers' money so placed that he can meet any emergency. His duty it is to anticipate a business failure, a poor crop, a run on the stock market—all of which mean withdrawals from the bank, and yet it is necessary that a large amount be always out at good paying interest.

The knowledge that men have gathered upon such matters has been gained by constant intercourse with business men; the methods have been handed down from father to son long before women had ever been thought of in business life: and, knowing this, I can say nothing about women in the higher bank positions; I have not yet met those who are capable of filling them.

Women's Banking Rooms.

In a previous article I described these rooms. In this one are shown pictures of some of them. The main considerations are convenience and comfort. Any woman of artistic temperament can gather material objects together and place them in harmony with each other. A rest-room should be restful; a banking-room should be businesslike. Rooms that are to be used exclusively for women should be furnished by women and not given into the hands of expensive decorators who know what the latest style is but have no idea what a tired woman longs for when she allows herself half an hour's rest.

Corner for the Younger Customers, The Crown Bank of Canada, Toronto.

The corner for our youngest customers is one of the most attractive in the bank, and it brings and keeps custom.

The mending-basket in the retiring room is a very little thing, but the ap-

preciation shown it is correspondingly big.

Special Advertising for Women.

There is so much in advertising that is considered undignified by a bank that the question of appealing to women, without getting down to details, is a difficult one to deal with. Women customers like to know everything about what results they bring. There is nothing novel nor suggestive about a calendar.

One thing that does pay in advertising is the spirit of cheerfulness. Ask people to save because they are going to have a good time with the money put by. That proverbial "rainy day" is a pretty poor incentive to live up to. No one is looking for it, no one wants

Luncheon Room for the Women Officials, The Crown Bank of Canada, Toronto.

the bank to which they belong, yet the majority of them will not read the financial statements made by banks. They want something that goes straight along like a paragraph in a story book, and they want it put in every-day words. The officer in the banking-room who can answer all questions is a great help to the bank and to the women customers.

Booklets are of little use unless they are different from any other pamphlet and have an individuality about them that appeals to those who receive them.

Invitations cards and novelty gifts are used, but it is difficult to determine it—and, anyway, it is never coming to the woman who lives carefully and cheerfully. Some children are taught to hoard pennies for unsavory heathen; they do not do so because they like it, but because it is expected of them and they rather enjoy the goody feeling that comes with it. Ask a child to save for fireworks or the merry-go-round and it is a positive pleasure. One child put her money in the bank to buy a "Teddy" bear. When she had the money she did not want the bear—but she did want a dolls' house. Now, she is not going to take the money for a doll's house—but she has had a delightful

time anticipating it. She will go on saving. If she had not been allowed to put her pennies by for the bear, we would have lost a customer who will, in time, be a regular depositor. Big people are just grown up children; if it is not the Teddy and the dolls' house, it is something else;—an air ship,—for instance!

It is hard to plan advertising. One must watch the times. What will appeal to women to-day will be of indifference to them to-morrow—and advertising must always be live, or—it is worse than dead.

What "Women-in-Banking-Life" Means.

Every year women become more convinced of the necessity of attending to their business through a bank, and, the more they learn of banking methods and become assured of their ability to adapt themselves to them, with greater readiness they take their money matters into their own hands and manage their business interests, their estates, the planning for and expending upon their homes—themselves.

If "Women-in-Banking-Life" means much to-day, in another ten years it will mean more—it will mean a revolutionizing of the idea that men must attend to money matters for them.

The Crown Bank of Canada originated this banking education for women, and, having passed the trial stage, is in a position to go on—to learn more—to improve—and to continue to improve. But the end is a long way off—in fact it can never be reached, for women with original ideas focussed upon advancement—never find an end—there is always an improvement—*just ahead!*

ORGANIZATION OF NATIONAL BANKS.

IN December the number of national banks in the system was increased by the organization of 23 associations with aggregate capital of $850,000. Owing to the financial conditions prevailing during the past three months the organization of national banks has been materially retarded, as but 38 associations were chartered in October, 19 in November, and, as stated, 23 in December.

During the year 1907, national banks to the number of 490, with authorized capital of $31,482,000 were chartered. The net increase in number of banks was but 392, as 82 associations were placed in voluntary liquidation and 16 in the charge of receivers. The net increase in capital stock is shown to have been $50,353,000; and in the year there was a net increase in national bank circulation of $93,968,426.

At the close of the year there were in existence 6,675 banks with total capital of $912,369,775; circulation outstanding, secured by bonds, $643,459,899; circulation covered by deposits of lawful money, $46,670,996, making the total outstanding circulation $690,130,895.

Since March 14, 1900, there have been chartered 3,715 national banks, with authorized capital of $217,245,300, of which 2,419, with aggregate capital of $63,077,500, were incorporated under the act of that date and 1,296, with capital of $154,167,800, under the act of 1864.

In December an increase in the capital stock of the Union Trust Company of Washington to $2,000,000 was approved, and in the same month there was an addition to the banking facilities of the District by the opening for business of the Federal American Banking Corporation and the Dime Savings Bank, institutions organized under the laws of the State of Virginia.

WHO IS ITS SPONSOR.

BEFORE the Aldrich Bill was made public, it was announced that members of the Finance Committee were in New York in consultation over the matter. In consultation with whom? Who will stand sponsor for this bill? It certainly does not represent the great commercial interests, either of New York or any other part of the country.

CURRENT OPINION

BANKING AND CURRENCY REFORMS.

SPEAKING at a banquet of the Illinois Manufacturers' Association at Chicago recently, Hon. Charles N. Fowler, Chairman of the House Committee on Banking and Currency, said:

"Let us settle once for all that the only proper reserve for our banks to hold is gold coin. Let us not forget that both our silver and United States notes are serious stumbling blocks, though not insurmountable obstacles, to our becoming the financial centre of the world, provided they may be practically eliminated in time from our financial calculations.

"A great central bank is, in my opinion, a political impossibility at present. I do not regard a great central bank as essential to a scientific, sound and wise banking and currency system for the United States, provided we can unify and co-ordinate our banking interests, bringing them substantially into one system.

"Our bank notes must be related to and based upon the consumable commodities of the country; going out with production and coming in with consumption.

"The practice, I will not say principle, of finance and currency now in operation in this country is costing the American people at least $150,000,000 annually, in addition to the frightful devastation of values incident to such currency panics as the present. This arises from the fact that the use of all the capital represented by the bonds deposited to secure our present banknotes is lost, because they are wholly unnecessary.

"The use of the capital represented by the bonds deposited to secure Government deposits is also lost, as well as interest at the rate of 2 per cent. upon Government deposits.

"Who pays for this waste of capital? American labor. Upon labor rests the entire cost of the banking business.

"A law should be passed giving to the National banks the right of exercising in the respective States where located all the powers of executors, administrators, guardians and trustees. Unless this step is taken the advantages now enjoyed by the trust companies will gradually, but inevitably, compel the National banks to surrender their charters for trust company charters; for if a trust company is required to carry only one-fifth or one-half the reserve of a National bank it can afford to pay a much higher rate of interest upon deposits and eventually undermine the National banks.

"The right should be given to National banks to issue an amount of credit currency equal at least to their capital.

"I now declare that if this Government continues its present policy of injecting into the arteries of trade and commerce fixed, bond-secured currency, by swapping securities, by bond speculations, by Treasury manipulations, and by Executive manipulations, we shall continue to move only with an accelerated speed and with the directness of a musket groove, and the absolute certainty of passing time toward a commercial breakdown—a commercial crisis, a commercial tragedy—compared with which the present currency panic is only a pleasant Summer outing.

"When we were in the throes of commercial distress, natural law pointed the way. It was through the use of current credit, related to and based upon the commercial commodities of the country—the things we eat, wear and use.

"What was it? It was the clearing-house certificates and cashiers' checks, a pure credit currency. Has this lesson taught us nothing? God forbid.

"I warn you now against the fathomless abyss of inflation we are slowly but certainly approaching. Shall we stop now or proceed, and hasten the day and guarantee the result by adding state, municipal, and railroad bonds as a basis of bank currency?"

BANKING CONDITIONS IN NEW YORK.

IN his message submitted to the New York Legislature, Governor Hughes says:

"With regard to trust companies, however, the matter of reserves is a phase of a larger question. It was not contemplated by the law relating to trust companies that they should engage in the same business as banks. Their powers were defined with reference to the execution of trusts and to action in fiduciary capacities, with such incidental privileges as were deemed consistent with the general purposes.

"In practice, however, they have engaged in the banking business upon a large scale, and the moneys deposited with them are for the most part payable on demand. Despite this development of their business, it was not until 1906 that they were required to keep any cash reserve, and this is much less than that required of banks. Whatever else may be said on the subject, it would seem clear that business of the same sort should be transacted under the same conditions.

"In my judgment nothing will meet the situation with fairness to the interests of the banks, of the trust companies, and of the public which deal with both, which does not require that each distinct field of operation should carefully be delimited and that any corporation transacting business in a particular field shall be subject to the obligations and restrictions which pertain to that field.

"Whatever reserves, or other restrictions, may be deemed advisable with reference to demand deposits in the case of a bank should be equally obligatory with reference to the same sort of deposits in the case of a trust company. Similarly the savings bank business is a distinct field, and business of this sort should be transacted only by institutions subject to the restriction of the savings bank law.

"The amount of legal expenses incident to the liquidation of insolvent banking institutions in this State is a grave scandal to which the committee of bankers fittingly calls attention. I recommend that provision be made for liquidation under the supervision of the Superintendent of Banks and that he shall have authority to appoint liquidating agents and necessary assistants to enable him to wind up the business in the most speedy and economical manner.

"I do not think that there should be an attempt to oust the court of its jurisdiction to appoint receivers. But the present provisions of law for exclusive liquidation through receivers appointed by the court may be changed and the courts should be left to exercise their jurisdiction in cases where they deem it necessary to interfere with the ordinary course of liquidation. And it should be provided that application for the appointment of receivers by the court shall be made in the judicial district in which the corporation has its principal place of business and that proper notice of the application shall be given to all creditors."

PREVENTING FINANCIAL CRISES.

HON. FRANK A. VANDERLIP, former Assistant Secretary of the Treasury, and now vice-president of the National City Bank, New York city, in a lecture recently delivered at Columbia University said:

"Financial crises have occurred with such periodic regularity in the United States that many have, with Mohammedan stolidity, come to regard them as 'The Will of Allah,' and to look alike upon banking panics and crop failures as dispensations of an inscrutable Providence, just as we once regarded visitations of plagues and fevers.

"In no other great nation of the world are such financial catastrophes regularly enacted. Nowhere else may be found an important financial system subject to such violent turbulence as is the money market of the United States.

"If there is any lesson to be learned from history, then there is none clearer than that the financial system of this country inadequately fulfills its functions and ineffectively serves the interests of commerce and industry. If there is any lesson to be learned from experience and example, there is none more obvious than that the other great nations have evolved orderly systems of finance which in their application to the problems of banking and currency are immeasurably superior to our own, and that there are no inherent reasons in the position of our affairs which would prevent our profiting by their experience and example."

IN PRAISE OF THE NEW YORK BANKS.

THAT the action of the New York banks in endeavoring to stay the recent panic is thoroughly appreciated by keen observers of the situation, is shown from the following letter from Joseph G. Brown, president of the Citizens' National Bank, Raleigh, N. C., recently published in the Raleigh "News and Observer":

"During the progress of the panic many things have been said and written with the apparent purpose of discrediting the New York bankers—but such utterances have come largely from those who have not taken time to investigate, and to get a thorough, intelligent view of the situation. The fact is that New York has had to bear the brunt of the panic. The millions of money that have been brought into the country, through the agency of the bankers of the metropolis, have passed through their hands, as through a seive, more than one hundred millions of cash having been sent by them into the interior. While other cities, and even the smaller towns like our own in North Carolina, have strengthened their reserves, and are to-day carrying two and three times as much as necessary, the New York banks, with a public spirit that is commendable, have suffered their reserves to become depleted to the extent of some seventy millions of dollars, in their effort to sustain all the varied business interests of the country.

"I have no brief for the defense of the banks of New York. They are abundantly able to take care of themselves, but 'right is right,' and we should give 'honor to whom honor is due.' "

PUBLIC DEPOSITS IN BANKS.

AT the annual meeting of the Civic Federation, held in New York, December 16, a letter was read from August Belmont, containing the following in regard to currency and banking matters:

"Be the recommendations what they may, whether for a central bank of issue modeled after Europe's great banks, or the creation of asset currency, or any other proposed method of supplying currency in plenty when commerce requires it, and its early retirement through the national banks when not needed, there will remain, if not corrected, a disturbing element to the stability of the money market by reason of the present legal restrictions and limitations placed about the authority vested in the United States Treasury for placing its money on deposit in the banks.

"If there is a time when our financial institutions should be left in possession of their fullest strength it is in such times as those we are just passing through. Yet the Government saps this strength to the extent of the deposits it

makes of its funds, so that the relief to a sorely contracted money market is not free and healthy.

"And why should not the Government deposit all its funds not absolutely needed in its Treasury, without collateral and protected by the same security that surrounds the ordinary depositor in the national banks?"

A DEFENSE OF THE PRESIDENT.

AT the quarterly dinner of the Economics Club, held in New York a short time since, Hon. A. B. Hepburn, former Comptroller of the Currency, and now president of the Chase National Bank, New York city, defended the policies of President Roosevelt. Mr. Hepburn said:

"His policies have not been 'hidden under a bushel.' We are also likely to have them with us for many years to come. They will no doubt continue the controlling influence in determining the result of the next presidential election. The President may not at all times have proceeded with discretion. But we must remember that the condition of affairs that confronted him had long existed, and was thoroughly intrenched, fortified, and defended with great power. Perhaps the spectacular charge with the Big Stick was, if not the only method, the most efficacious in bringing these corporations to book and correcting, or attempting to correct, these evils.

"He has at least taken the public into his confidence. All he has done has been done in the bright light of publicity, and publicity is one of the most potent factors we have in the discovery of wrong."

IGNORANT ENVY AND HOSTILITY.

"EVERY manifestation of ignorant envy and hostility toward honest men who acquire wealth by honest means should be crushed at the outset by the weight of sensible public opinion."—*Theodore Roosevelt.*

NEW YORK BANKS DESERVE CREDIT.

"IN some quarters there has been considerable criticism of the banks of New York in the matter of holding currency. I believe it only fair to say that the New York banks deserve great credit. They have had a great many more things to contend with than the public has generally known. They have handled the situation splendidly, acting with courage and patriotism. As to reports that Western merchants dealing with Eastern wholesale concerns were sending Chicago checks instead of drafts on New York, I do not consider this action out of the ordinary. It has been merely a matter of curtailing credits all around. Naturally Chicago banks are not carrying such large balances in New York at this time as they would ordinarily. There is no concerted movement, however, to hold balances down with Eastern institutions."—*George M. Reynolds, President Continental National Bank of Chicago, in Wall Street Journal.*

NEW COUNTERFEIT ($5) SILVER CERTIFICATE.

SERIES of 1889; check letter A; face plate No. 1044; back plate No. 682; W. T. Vernon, Register of the Treasury; Charles H. Treat, Treasurer of the United States; portrait of Onepapa; Treasury number D21771369.

This counterfeit is a rough photomechanical production printed on two pieces of paper, no attempt being made to imitate the fibre paper of the genuine. The printing is very heavy and blotchy, the lathe work and ruling being broken and disconnected. The blue of the "V" and the seal is much darker than the genuine. The green on back of note is pale. Credit is due to Mr. William Williams, of the Irving National Bank, of New York, for the discovery of this counterfeit.

THIS department is for the benefit or those interested in promoting the business of banks, trust companies and investment houses by judicious advertising. Correspondence is desired. The purpose is to make this department a clearing house for the best ideas in financial publicity. Send inquiries, suggestions, information concerning results of various methods and campaigns, and samples of advertising matter for comment and criticism, to T. D. MacGregor, Manager, Publicity Department, Bankers Publishing Co., 90 William Street, New York.

HOW TO WRITE AN AD.

SOME SUGGESTIONS ON THE IMPORTANT MATTER OF ADVERTISING COPY.

IN later numbers of THE BANKERS MAGAZINE we propose to outline some complete advertising campaigns for banks and other financial advertisers, but we believe that a study of "copy" and the actual preparation of advertising matter naturally precedes the consideration of the broader subject of the complete campaign.

So we set down here a few suggestions on how to write an advertisement.

No matter how large the space or the circulation you pay for or how favorable the rates you secure, you are not getting your money's worth if the copy (i. e. the text matter of the advertisement) is weak or defective in any way.

Copy must do more than fill space. It must "pull," bring results.

Good copy is not mechanical. It cannot be ground out of a hopper. If it could, there would be no need to study the problem of salesmanship on paper. You could just buy good copy as easily as you can printing.

Financial advertising copy can not be too strong, concise and original. It is not enough for the writer to know the inside facts about his particular proposition.

Indeed, strange as it may seem, you may be too close to your own business to realize its strongest advertising points.

It will pay you to cultivate that valuable "outside" attitude, the viewpoint of the disinterested man or woman—your prospective customer. Don't look at the proposition entirely from your standpoint. Put yourself in the other fellow's place.

Emphasize "you" and "your" in the copy, not "we" and "our."

Get the "you" habit in your advertising. It is polite, and it is good business, too.

It is all right to read the advertising matter of others for suggestions, but do not slavishly adapt ideas and phrases that seem to fit your case. It is better to be original. Have initiative. Explore your own proposition for new ideas. Then express them brightly and with all the literary skill you can command.

Make your advertising interesting and educating.

The Actual Preparation.

As far as the actual preparation of an advertisement is concerned, no fixed rule can be laid down as to detail of method. There are as many different ways of doing it as there are successful advertisement writers.

Probably no two writers go about it in the same way when they sit down to prepare an advertisement. But experience has proved the wisdom of certain methods and has established some general principles.

Study every phase of your proposition thoroughly. Then set down in black and white all the talking points that occur to you.

Omit no fact or argument that might possibly be used to advantage.

With this list of talking points, you have your material ready. The next step is to outline a plan for the particular piece of advertising in hand, be it a series of newspaper advertisements, a circular or a booklet.

In a newspaper series the first thing to determine is the size of the space to be used. In deciding this point, remember that if you have not an appropriation large enough to warrant the continuous use of fairly large space, it is better to use a small space regularly and frequently than very large space at spasmodic intervals.

When it is planned to run a complete series, each individual advertisement should, if possible, emphasize a different point, although it is well sometimes to summarize other points, the theory being that there are

always some readers who have not seen preceding advertisements and who may not see later ones.

In case of a pure type display advertisement, that is, one in which no drawing or design cut is used, the next important thing is to create a suitable heading for the advertisement.

There are very few persons who read through the copy of all the advertisements, but there are many who see all or nearly all of the heavy headlines. So the wise thing to do is to state your case clearly in the headlines.

"The meat at the top" is the rule for good headlines just as much in an advertisement as in a news article. By constant practice the advertisement writer can learn to tell his whole story in the headlines and thus get a bigger circulation for his announcement, the head at the top and the name of the advertiser at the bottom making in themselves a complete advertisement for the benefit of the nearsighted and cursory readers of the paper.

Here are some good headlines for advertisements:

BOND BARGAINS.

NOW IS THE INVESTOR'S OPPORTUNITY.

REGULAR INCOMES FROM NEW YORK REAL ESTATE.

WHEN YOU HAVE SAVED $100 GET A CERTIFICATE OF DEPOSIT.

IT IS EASY, SAFE AND PROFITABLE TO BANK BY MAIL.

Having chosen a suitable head, you have the subject of your advertisement. Pick out the talking point or points you wish to develop. Then sit down and write as fast as the ideas come to you. Never mind the length. Get your ideas down before they escape you.

Give real arguments and reasons, not just bald, unsupported statements.

When you have written yourself out on that particular subject, rewrite your composition.

Cut out all unnecessary words. Condense. Boil it down, but not too much.

Rewrite your advertisement in the shortest, simplest, strongest words that come to you. If you have difficulty in choosing words have a synonym book at your elbow and use it.

It is better to use short, easy-reading paragraphs—like these.

There are several reasons why this wholesale pruning process is a good thing. It saves valuable space, makes easy reading and permits more effective display.

About Illustrations.

The use of a good illustration may add 50 per cent. to the "pulling" power of an advertisement.

In the first place, a good, strong illustration serves as an eyecatcher. Then it may present an argument in itself. It can be made so striking that it will hammer in a point indelibly and prove of more value than the rest of the advertisement.

For example, a real estate company could embellish its advertisement of some suburban residence property with such an attractive view of one of the homes that descriptive words or persuasive argument would be almost unnecessary.

A savings bank, by using a cut to show a page of a pass book, could illustrate graphically how savings grow.

A good illustration tells its story at a glance, a story intelligible to young and old alike, to the educated and the illiterate. It can touch the feelings and lead to favorable action in the direction suggested—often more quickly than an appeal to reason, because most persons, men as well as women, act more upon impulse than they do as the result of cold logic.

There must always be a close connection between the idea brought out by the illustration and the thought expressed in the copy of the advertisement. Unless this rule is observed, there will be waste motion, so to speak, in the advertising. The picture of a pretty girl or of a beautiful piece of scenery probably will attract passing attention, but unless the illustration is tied up in some way with the copy, it will not help the advertisement. On the contrary, it is more likely to injure it by distracting attention from the main purpose of the announcement.

It is not necessary for the advertisement writer to be an artist, too, but he should have ideas and be able to sketch them up roughly so that an artist can readily see the point and carry it out effectively.

The regular use of a trademark cut in advertising is good because, besides serving to draw attention to the notice, it identifies the advertisement so that even if not always read, an unconscious influence is exerted upon the mind of the reading public. It helps build up a prestige, a good will, for the advertiser which may become one of his most valuable assets.

If you adopt and use continuously a certain distinctive style of type "set up" in your advertisements you will get some valuable secondary or indirect advertising. By creating a style of your own you get more than you pay for because in this way you get the full benefit of the cumulative effect of all your preceding publicity.

GETTING EXPERT HELP.

The Advantage of Having Good Advice.

A GOOD advertising agent or an expert advertising writer is worth more than he costs you, because he helps you to save and to make more money than you would without him.

To-day there are specialists in the preparation and handling of advertising just as there are in every other line. It pays to consult and to employ them, even if your advertising appropriation is a small one. If your business is large enough to warrant it, you need an advertising expert of your own. But even in that case, the advertising preparation bureau and the agency that places

advertising will be of the greatest service to you.

A knowledge of the results of the experience of many other financial advertisers on such important matters as copy, mediums and methods is placed at your instant command when you employ expert service of this kind.

Banks and investment houses that advertise nationally place their business through advertising agents because they are thus relieved of all detail work in connection with their publicity and pay nothing for the service, as the agent is reimbursed for his work by the commissions he receives from the publishers of the magazines and other mediums used.

FROST AND FORMALITY.

A Dissertation on the Prevalence of Lifeless Bank Advertising.

THE editor of this department has in his possession a copy of "The Ulster County Gazette," printed in Kingston, N. Y., more than a hundred years ago. Some of the advertisements in this interesting old publication are exact proto-

Irving Savings Institution

115 Chambers St., New York.

The Trustees of this Bank have declared interest at the rate of

4% per annum on all sums from $1 to $3,000—entitled thereto on Dec. 31, 1907, payable on and after Jan. 15, 1908. Deposits made on or before Jan. 10 will draw interest from Jan. 1st.

W. H. B. TOTTEN, President.
GEORGE B. DUNNING, Secretary.

THE MANHATTAN SAVINGS INSTITUTION,
NOS. 644-646 BROADWAY.
115TH SEMI-ANNUAL DIVIDEND.
December 10th, 1907.

The Trustees of this Institution have declared interest at the rate of

FOUR PER CENT.

per annum on all sums not exceeding $3,000 remaining on deposit during the three or six months ending on the 31st inst., payable on and after January 20th, 1908.

Deposits made on or before January 10th, 1908, will draw interest from January 1st, 1908.

After January 1st, 1908, open daily from 10 A. M. to 3 P. M. Saturday from 10 A. M. to 12 M.

JOSEPH BIRD, President.
FRANK G. STILES, Secretary.
CONSTANT M. BIRD, Asst. Secretary.

The Metropolitan Savings Bank.

1 and 3 THIRD AV. (opp. Cooper Institute.)
CHARTERED 1852.

109th DIVIDEND.

New York, Dec. 10th, 1907.

INTEREST FOR THE HALF YEAR ENDING DECEMBER 31ST, 1907, at the rate of

FOUR PER CENT. Per Annum

will be credited to depositors entitled thereto under the by-laws of the bank on sums from $5 to $3,000.

INTEREST PAYABLE JANUARY 15TH, 1908.

MONEY DEPOSITED on or before January 10th will draw interest from January 1st.

JONATHAN B. CURREY, President.
EDWARD SHERER, Secretary.

HENRY SIEGEL FRANK E. VOGEL

HENRY SIEGEL & CO

PRIVATE BANKERS

MAIN FLOOR

The 14TH STREET Store NEW YORK

4½ PER CENT INTEREST

Paid on Deposits from $1 to $3,000

MONEY DEPOSITED ON OR BEFORE JAN'Y 20 WILL DRAW INTEREST FROM JAN'Y 1. INTEREST READY AND PAYABLE, IF DESIRED, PROMPTLY ON THE FIRST BUSINESS DAYS OF JANUARY AND JULY.

Deposits may be withdrawn at any time without giving notice

WE HAVE NEVER AT ANY TIME REQUIRED NOTICE FROM OUR DEPOSITORS FOR THE WITHDRAWAL OF DEPOSITS.

THE INVESTMENTS AND CONDUCT OF OUR BUSINESS ARE UNDER THE DIRECT SUPERVISION AND CONTROL OF RESPONSIBLE, WELL-KNOWN BUSINESS MEN ENGAGED IN LEGITIMATE MERCANTILE ENTERPRISES.

WRITE FOR CIRCULAR.

Hours: 9 A. M. to 5.30 P. M.

F. L. CHAMPION, Cashier W. J. DOHERTY, Asst. Cashier

The Bowery Savings Bank,

128 AND 130 BOWERY.
NEW YORK, Dec. 16, 1907.

A semi-annual dividend at the rate of

FOUR PER CENT.

per annum has been declared and will be credited to depositors on all sums of $5.00 and upward and not exceeding $3,000, which shall have been deposited at least three months on the first day of January next, and will be payable on and after Monday, January 20th, 1908.

Money deposited on or before January 10 will draw interest from January 1, 1908.

JOHN J. SINCLAIR, 1st Vice-Pres't.
HENRY A. SCHENCK, 2nd Vice-Pres't.
WILLIAM E. KNOX, Secretary.

THE BANK FOR SAVINGS

IN THE CITY OF NEW YORK,
280 Fourth Avenue, Dec. 13th, 1907.
177TH SEMI-ANNUAL DIVIDEND.

The Board of Trustees has declared an interest dividend for the Six Months ending December 31st, 1907, at the rate of FOUR PER CENT. per annum on all sums of $5.00 and upwards entitled thereto, and payable on and after Jan. 20th, 1908.

The dividend will be credited to depositors as principal, January 1st, 1908.

Deposits made on or before January 10th will draw interest from January 1st, 1908.

WALTER TRIMBLE, President.
CHARLES A. SHERMAN, Secretary.
JAMES KNOWLES, Comptroller.

Union Dime Savings Institution

BROADWAY, 32D ST., AND 6TH AVENUE, GREELEY SQUARE, NEW YORK.

Interest Four Per Cent

Per annum from $5 to $3,000. Credited January 1st, payable January 16th, or any time later.

CHARLES E. SPRAGUE, President.
FRANCIS M. LEAKE, Treasurer.
WILLIAM G. ROSS, Secretary.

The Brooklyn Savings Bank,

COR. PIERREPONT & CLINTON STREETS, BROOKLYN, N. Y.
December 14, 1907.

INTEREST AT THE RATE OF

FOUR PER CENT. PER ANNUM

will be credited to depositors with this bank, January 1st next, on all sums entitled thereto, (payable on and after January 20th.)

MONEY DEPOSITED on or before January 10th will draw interest from January 1st, 1908.

BRYAN H. SMITH, President.
FELIX E. FLANDREAU, Cashier.
EDWIN P. MAYNARD, Comptroller.

SEAMEN'S BANK FOR SAVINGS,
74 and 76 Wall Street.

THE TRUSTEES HAVE ORDERED THAT INTEREST be paid to depositors entitled thereto under the by-laws, and in accordance with the Savings Bank laws, for the six months ending Dec. 31st, 1907.

On accounts not exceeding three thousand dollars at the rate of FOUR PER CENT. per annum.

Payable on and after Monday, Jan. 20th, 1908.

DANIEL BARNES, President.
GEORGE M. HALSEY, Cashier.

New York, Dec. 16th, 1907.

Deposits made on or before Jan. 10th will draw interest from Jan. 1st.

GREENWICH SAVINGS BANK

N. E. Cor. 6th Av. and 16th St.

INTEREST AT THE RATE OF FOUR PER CENT. PER ANNUM will be credited depositors for the SIX MONTHS and THREE MONTHS ENDING DEC. 31, 1907, on all sums from five dollars to three thousand dollars, entitled thereto under the by-laws, payable Jan. 20, 1908.

JAMES QUINLAN, President.
CHARLES M. DUTCHER, Treas.
J. HAMPDEN ROBB, Secretary.

Deposits made on or before JAN. 10, 1908, will draw interest from JAN. 1, 1908.

NORTH RIVER SAVINGS BANK

31 W. 34th St., bet. 5th & 6th Aves.
Interest credited January 1st

FOUR per-cent. per Annum

on deposits from $5. to $3,000. Open 10 A. M. to 3 P. M. Mondays open day and evening 10 A. M. to 7 P. M. Saturdays 10 A. M. to 12 M. Deposits made by January 10 draw interest from January 1st.

Samuel D. Styles, President
Frederick N. Cheshire, Treasurer
Charles F. Turton, Secretary

NEW YORK SAVINGS BANK,

N. W. Cor. 14th St. & 8th Avenue.

The Trustees have declared a dividend for the six months ending Jan. 1, 1908, on all deposits entitled thereto, under the by-laws, at the rate of

FOUR PER CENT.

per annum on all sums from

$5 TO $3,000

Deposits made on or before Jan. 10th will draw interest from Jan. 1st.

WILLIAM FELSINGER, President.
JAMES L. WANDLING, Treasurer.
ARCHIBALD M. PENTZ, Secretary.

EMIGRANT
INDUSTRIAL SAVINGS BANK
51 Chambers St., New York

December 12, 1907.

The Board of Trustees has declared a semi-annual dividend at the rate of

FOUR PER CENT.

per annum on all deposits entitled thereto, payable on and after Monday, January 20, 1908.

DEPOSITS MADE ON OR BEFORE JANUARY 10, 1908, WILL DRAW INTEREST FROM JANUARY 1ST, 1908.

THOMAS M. MULRY, President.
JOHN J. PULLEYN, Comptroller.

ITALIAN SAVINGS BANK
OF THE CITY OF NEW YORK,
64 Spring St., New York,

2 blocks east of Broadway. Subway Station at corner.

The Board of Trustees has declared a semi-annual dividend at the rate of

FOUR PER CENT. PER ANNUM

on all deposits entitled thereto on sums from $5 to $3,000.

DEPOSITS MADE ON OR BEFORE JANUARY 10, 1908, WILL DRAW INTEREST FROM JANUARY 1ST, 1908.

JOSEPH N. FRANCOLINI, Pres.
PASQUALE I. SIMONELLI, Sec'y.
JAMES J. SLEVIN, Treas.

Dry Dock Savings Institution

341 & 343 BOWERY, Cor. 3d St., NEW YORK.

The Trustees have declared a dividend for the six months ending December 31, 1907, on all deposits entitled thereto under the by-laws, at the rate of FOUR Per Cent. per annum on all sums not exceeding THREE THOUSAND DOLLARS, payable on and after January 20, 1908.

Deposits made on or before January 10 will be entitled to interest from January 1, 1908.

ANDREW MILLS, President.
CHARLES MIEHLING, Secretary.
WM. F. PATTERSON, Asst. Secretary.

A Directory of Savings Banks.

types of the formal business card announcements used by many banks today, ostensibly for the purpose of getting more business.

Some advertisers have not learned much in the past century of progress. Cold figures and bald statements, devoid of interest and life, are not the best thing in the world with which to touch human nature.

So long as it is true that the great majority of us act upon feeling to a large extent it behooves the advertiser to mix as much human interest as possible with his logic in advertising. You make a very strong bid for business when you appeal both to the common sense and the impulses of your prospective customer.

We do not mean to say that formal card announcements should never be used by banks. The use of such advertising in financial publications is not open to serious criticism because there they are read largely by bankers who understand banking facilities and do not need the educating, personal style that ought to be addressed to the public at large.

But appealing for general business is an entirely different proposition. For newspaper advertising, the stilted, official card announcements of banks are well nigh useless because they are not business getters.

That style of advertising is cold and austere. Like the massive stone walls and iron bars of the bank building itself, it is more repellant than attractive. Nevertheless, it is probable that some banks will be using that style of publicity a hundred years from now, but it won't be the same banks that are doing it today, because once they learn the better way they will never revert to that style.

Somewhat akin to the card announcement style is the stereotyped form of newspaper advertising being done by the New York City Savings banks, as illustrated in the accompanying reproduction of a number of announcements appearing in the same issue of one of the New York papers.

Is Your Money

making money for you? The more of it you have employed for you, the less you need to work yourself. If you keep on saving and putting your savings to work, the funded capital of your earning years will gradually take up the burden and you will not need to work at all.

In the meantime you are insured against hard luck or hard times.

Have you ever thought about having some money

At Work For You?

If not, it is time you did if you have any regard for your future comfort or for the well being of those dependent upon you.

Now* is the time to begin to save. If you want to start on the road to financial independence, or if you have started and would like help and encouragement, it will pay you to send for "You and the Rainy Day," a handsome booklet just issued by *The National Bank of Commerce in St. Louis.

It contains 28 pages of practical financial advice, telling how to save and make money. It also describes the 3% Certificates of Deposit of this $86,000,000.00 bank, which are issued in sums of from $50 up and are negotiable and renewable annually or semi-annually.

Send today for your copy of this valuable free book.

The National Bank of Commerce

in St. Louis

Broadway and Olive Street

A Real Savings Advertisement.

They are all cut from the same cloth.

It would seem that if the purpose of this advertising is to get more depositors for the banks, the advertisers are falling far short of their opportunities and wasting good money in expensive newspaper space.

Of the fifteen advertisements reproduced, only one—that of a department store private bank—makes a direct personal appeal for depositors, although several of the others do so by inference or implication.

It is not for lack of talking points, either. One of the banks, the Bowery Savings Bank, is said to be the largest savings bank in the world. One is paying its 177th semi-annual interest dividend, another its 109th. All of them are paying 4 per cent. interest,

which is higher by from ½ to 1 per cent. than is allowed by many savings banks throughout the country.

We are not aware of any law that compels the New York savings banks to advertise in this perfunctory way. But even if it were compulsory, is there anything to prevent their doing some real advertising in addition?

But perhaps they do not want any more deposits.

By way of contrast, we show a real savings advertisement. The interesting thing about it is that it is not the advertisement of a savings bank at all, but of one of the greatest of the National Banks. In common with the advertisement of the department store bank, it has a particularly strong feature psychologically—the offer of a free booklet and the request that the reader do something definite at once, viz., send for the booklet.

INVESTMENT OPPORTUNITIES.

Bond Houses are Urging People to Buy Now.

ALL the big bond houses are making special efforts to call attention in their advertising to the present opportunity for profitable investment, due to the low price of all securities.

Spencer Trask & Co. in one of their recent circulars give a resume of the situation and a forecast of the probable course of events. They say in part:

"Underlying conditions are undoubtedly sound. They bear no resemblance to the panic year of 1893, save by contrast. Then the agricultural classes were but little removed from poverty; today the agricultural wealth of the country is a matter of comment. Farmers have been prosperous for a number of years, and in many instances have acquired balances in the banks, or have become investors. There is a notable absence of over-production in the industrial world, and our manufacturing and mercantile interests have enjoyed years of increased trade and profits. Our money situation is not complicated as it was in 1893 by the free silver issue, and instead of depleted gold reserves, the resources of the United States Treasury are greater than ever. No over-extension of railroad building exists, but on the contrary the facilities of the roads have been actually inadequate for the business of the country. With the exception of an inelastic currency and a temporary lack of floating capital, the general situation is materially better than in any other panic year, and moreover, the country has now a resisting power against widespread disaster which it has not had in former times.

"The greatest single factor affecting the price of sound bonds is the value of money, or the prevailing rate of interest over any considerable period of time. In any estimation of the probable future course of bond quotations, it is consequently essential to remember that high rates of interest prevailing in times of panic have been invariably succeeded, after the panic has subsided, by a more or less protracted period of low interest. This is largely caused by the contraction of business which takes place, and a business depression is always an excellent period for good bonds. Money accumulates in the banks, and the supply of available credit exceeds the demand. There is every reason to believe that the money market will follow this law at the present time, and that within a few months money will be comparatively cheap. Bonds of demonstrated value will quickly respond to the changed conditions by an advance in quotations, and, in fact, are already discounting these conditions by rising prices."

APPEALING TO PARENTS.

How Some Wideawake Banks are Soliciting Children's Accounts.

THERE is one illustration in the magazine this month that will get a great deal more attention than any other. It is that group of a score or more of happy youngsters.

Happy Children.

The advertising man of the Cleveland Trust Company knows human nature, especially parental human nature, so that in the picture he chose for the cover of an attractive booklet entitled "Happy Chil-

Your Child's Future

A SAVINGS ACCOUNT opened when your children are young will provide for their education and give them a proper start in life. You can open an account with this large safe bank with

ONE DOLLAR AND UPWARDS, AND IT WILL EARN 4% INTEREST

A BIRTHDAY FUND

¶An excellent means of providing a son or daughter with an inheritance when they arrive at majority is, on each birthday to place to their credit with this bank the sum of One Dollar for each of the years they have lived. These sums, with interest, will amount in twenty-one years to over $300.00, not an insignificant sum in itself; and most children, knowing that a bank account was growing for them, will make continuous efforts to add to the amounts of their savings, thus swelling the aggregate, which would enable any young man or woman to start out in a business career, well equipped for success.

THE CITIZENS SAVINGS & TRUST CO.
Euclid Ave. near Erie St., CLEVELAND, OHIO
ASSETS OVER
THIRTY-NINE MILLION DOLLARS

An Effective Mailing Card.

dren," just issued to call attention to that company's facilities for handling children's accounts, he has secured the very best thing in the world to touch the parental heart and to get the necessary interest to give him an opportunity to tell his story.

A large part of the booklet is taken up with attractive children's pictures printed on fine book paper. There is also a table showing what children's savings accounts, on which dollar weekly deposits are made, will amount to with 4 per cent. semi-annual compound interest, as the children grow up.

GIVE YOUR CHILD A CHANCE

Here is a plan that can be made to mean GREAT things for every parent and every child

Open an account with $3.00 for the day the baby was born, and then on each birthday deposit $3.00 for each year of the child's age in the St. Louis Union Trust Company's Savings Department, where we pay THREE PER CENT INTEREST, compounded twice a year. You will be surprised to see how this interest amounts up. You will also enjoy seeing the account grow. At the end of the 21st year you will have in this account $880.34.

Think what $880.34 will do for a young man or a young girl just starting into the battle of life. It may mean the difference between success or failure, and the most this costs you in any one year is only $63.00.

$3.00 to open account
.09 Interest
———
$3.09 1st year
6.00 Deposit
.27 Interest
———
$9.36 2nd year
9.00 Deposit
.54 Interest
———
$18.90 3rd year
12.00 Deposit
.90 Interest
———
$31.80 4th year
15.00 Deposit
1.38 Interest
———
$48.18 5th year
18.00 Deposit
1.98 Interest
———
$68.16 6th year
21.00 Deposit
1.33 Interest
1.35 Interest
———
$91.84 7th year
24.00 Deposit
1.72 Interest
1.75 Interest
———
$119.31 8th year

$119.31 8th year
27.00 Deposit
2.19 Interest
2.22 Interest
———
$150.72 9th year
30.00 Deposit
2.70 Interest
2.74 Interest
———
$186.16 10th year
33.00 Deposit
3.28 Interest
3.33 Interest
———
$225.77 11th year
36.00 Deposit
3.91 Interest
3.97 Interest
———
$269.65 12th year
39.00 Deposit
4.62 Interest
4.69 Interest
———
$317.96 13th year
42.00 Deposit
5.38 Interest
5.47 Interest
———
$370.81 14th year
45.00 Deposit
6.22 Interest
6.33 Interest
———
$428.36 15th year

$428.36 15th year
48.00 Deposit
7.14 Interest
7.24 Interest
———
$490.74 16th year
51.00 Deposit
8.12 Interest
8.23 Interest
———
$558.09 17th year
54.00 Deposit
9.18 Interest
9.31 Interest
———
$630.58 18th year
57.00 Deposit
10.30 Interest
10.45 Interest
———
$708.33 19th year
60.00 Deposit
11.52 Interest
11.68 Interest
———
$791.53 20th year
63.00 Deposit
12.81 Interest
13.00 Interest
———
$880.34 Total

What Systematic Saving Will Do.

As illustrating the literary style of the booklet, we quote the following paragraphs:

"The little ones! Every face reflecting purity and love. The fairest sight in all the world—the happiness of children; childish innocence imbued with supreme faith in the everlasting joys of life.

"And why should they not be happy? We'd all be so if cares, which often press heavily upon us, could be forgotten; if fear and worry would leave us forever."

That's the kind of advertising to do, gentlemen. Touch the heartstrings!

We also show a mailing card used by another Cleveland institution—The Citizens Savings and Trust Co.—in appealing for this class of business, and likewise a table for the same purpose used in the advertising of the St. Louis Union Trust Company.

NEW YEAR'S ADVERTISING.

Calendars, Novelties and Other Forms of Timely Publicity.

THE beginning of the year is a time when many banks make a specialty of giving away advertising matter of more or less intrinsic value, such as diaries, desk pads, wall and desk calendars, clocks, rulers, novelties, etc.

These things are good as supplementary to other forms of advertising. Their cost is often so high that it prohibits a very large circulation, but when, as in the case of a calendar, a single piece of advertising is seen by a great many persons during the year, or, as in the case of a diary or daily reminder, the name and claims of the advertiser are brought constantly and in an intimate way to the notice of one individ-

BANK OF BUFFALO.

ELLIOTT C. McDOUGAL, PRESIDENT.
LAURENCE D. RUMSEY, VICE PREST.
JOHN L. DANIELS, CASHIER.
RALPH CROY, ASST. CASHIER.

BUFFALO, N.Y. Dec. 21, 1907.

COMPLIMENTS OF THE SEASON

A Good Holiday Idea.

ual, there is no question about its being profitable publicity.

The National Bank of the Northern Liberties, of Philadelphia, has issued a valuable 1908 diary, which in addition to the advertising of the bank, contains information about Philadelphia, postal regulations, a calendar, etc.

The Burlington County Safe Deposit and Trust Co., of Moorestown, N. J., has issued a similar daily reminder.

The Boston Safe Deposit & Trust Company has done something unusually handsome in this line of publicity. It has issued for free distribution and to carry its advertisement a daily reminder and address book for 1908. The book is 4¾x5¾ inches and is well bound. The company is also giving away a pocket size daily reminder, which, besides valuable data, contains some strong advertising of the institution.

Both the Fulton Trust Company, of New York, and the Audit Company, of New York, ornament their 1908 calendars with beautiful colored views showing Robert Fulton's "Clermont" on its maiden trip up the Hudson a hundred and one years ago. In the interests of historical accuracy it would have been well had the artists of these two views collaborated a little as there seems to be some difference of opinion as to the exact lines and equipment of the famous craft although the "motif" of the pictures is the same. However, as one view is at the Battery and the other is away up the river somewhere near Storm King, it is possible that it was necessary to remodel the "Clermont" en route.

The Dominion Bank, of Toronto, Ont., has issued one of the finest wall calendars for 1908 that it has been our privilege to see. It is a splendid piece of lithography, and more than that it carries some strong, effective advertising of the big Canadian institution.

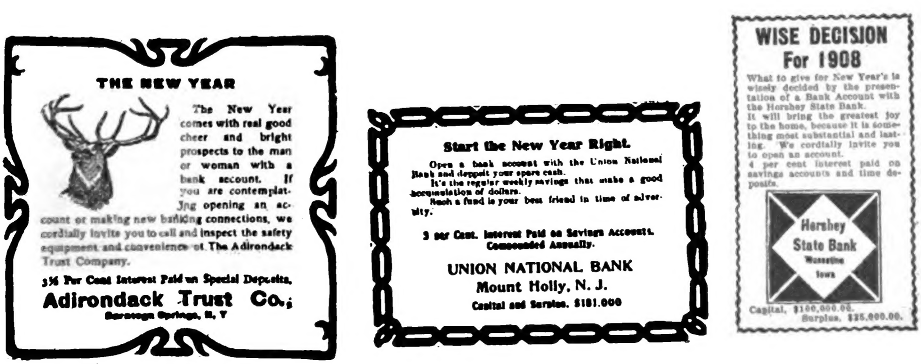
The First National Bank of Northfork, W. Va., accompanies its 1908 calendar with a letter calling attention to it, the bank's favorable location and facilities, and extending to the recipient the best wishes for the New Year.

The Hampden Trust Company, of Springfield, Mass., a week or so before Christmas sent out letters calling attention to the appropriateness and desirability of its certificates of deposit as Christmas gifts. It offered to send the certificates in handsome, special holiday envelopes. This company also gave away some valuable desk calendars.

The Bank of Buffalo for its correspondence during the holiday season had a special letterhead with the line printed on it in green letters: "Compliments of the season."

John A. Boardman & Co., stock brokers, New York, issued a very attractive holiday greeting to their customers. It was printed in Christmas colors, red and green, and was ornamented with mistletoe and holly. It contained an optimistic prophecy of prosperity for the coming year.

The calendar of the Rand Company, reproduced herewith, is a good example of an



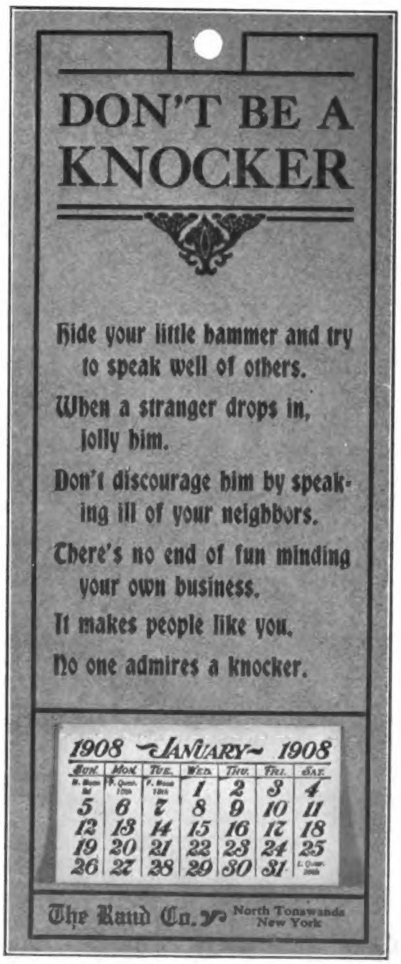
New Year's Advertising by Voorhees & Co.

effective small calendar, and the advice printed on it is good for these times.

Dexter Horton & Co., Bankers, Seattle, Wash., have issued a valuable celluloid-covered desk calendar, good until Dec. 31, 1914.

La Banque Nationale, Bureau-Central, Quebec, sent out a very tasteful booklet containing New Year's greetings.

Among other calendars worthy of comment are those of the Irving National Exchange Bank of New York, the Fidelity



Good Advice on a Calendar.

Trust Co. of New York, the Calcasieu National Bank, Lake Charles, La., and the Title Guarantee & Trust Co. of New York.

On the last day of the year, 1907, the Merchants & Planters' Bank of Texarkana, Ark., issued a very satisfactory statement, which it had attractively printed and sent it out with a timely letter to its customers.

FOR TRUST COMPANIES.

Some Talking Points for Fiduciary Advertising.

FOLLOWING are some suggestive subjects which can be elaborated upon to advantage in trust company advertising:

Personnel of management.
Capital, surplus and reserve.
Directors that direct.
Carefulness in loans and investments.
State supervision.
Registry of bonds and stocks.
Transfer and fiscal agent.
Personal supervision by officers.
Investment department, bonds, etc., for trust funds.
Handling real estate, paying and collecting rent.
Paying taxes, insurance, etc.
Auditing and regular examinations.
Employes handling securities are bonded.
Modern and complete office equipment.
Free advice of officers.
Making and carrying out provisions of wills.
Promptness, fidelity, courtesy.
Collections on all points promptly and cheaply made.
Quality of assets, doubtful paper charged off.
Interest on time deposits and checking accounts.
Interest on daily balances.
Executor, administrator, trustee, guardian, assignee, receiver.
Agent and attorney in fact of inexperienced persons and of benevolent and religious institutions and orders.
Agent and attorney for non-residents.
Depository for fiduciary officers.
Liberality, accuracy, stability.
Comparative statement of growth of institution.
Send for free booklet.
Giving information to the public.
Legal depository for trust funds.
Discounting business notes.
Safe deposit department.
Making audits for corporations, municipalities, institutions and individuals.
Trustee under mortgage securing bonds.
Making loans to depositors.
Banking by mail.
Handling conservative and meritorious construction enterprises.
As much attention to small as to large accounts.
Trust funds kept separate.
Guaranteeing real estate titles.
Handling fraternal and secret society finances.
Total amount of interest paid in history of company.
Trust company does not die, go insane or otherwise become incapacitated. Other advantages of corporation over an individual.
Large reserve in cash on hand and in banks.
Clearing house arrangements.
Detailed report to banking department.
Inquiries about assets, management and policy welcome.

Company independent of control of any single interest.

Depository for state, city, court and trust funds.

Tell all about checks.

Tell about physical safety (from fire, burglary, etc.)

Property in escrow.

Let us be your bookkeeper.

Women's department.

Checking accounts for women (convenience, safety, etc.)

Distributing incomes.

Investing trust funds for widows and orphans.

Interested in welfare of customers.

Convenience of location and facilities in banking quarters.

Correspondent banks and collection facilities.

Facts about industries and geographical advantages of community.

HOW BANKS ARE ADVERTISING.

Note and Comment on Current Financial Publicity.

AN expression that is used too often in bank advertising is "We want." Bankers make such frantic appeals as "We want your deposits," and "We need your business," whereas the sensible way is to tell prospective customers why it would be to THEIR advantage to deal with you.

A Kentucky bank makes this extravagant claim: "We can serve you living or dead. Give us your business. With us you will be independent in this world and comfortable in the world to come. Try us."

Bah! This is the limit. It violates every canon of good taste and cannot but make the judicious grieve. As advertising, it is punk. "Comfortable in the world to come," forsooth. That sounds more like an advertisement of one of those "Thermos" hot and cold bottles than that of a conservative and progressive bank.

You can't joke yourself into the confidence of people.

A correspondent taxes us with inconsistency because in last month's magazine we criticized "blind" headings of advertisements and yet suggested that a little mystery in the title of a booklet was a good thing. There was no inconsistency, because there is a radical difference between the short-lived newspaper ad., which must catch the fleeting glance, and the attractive booklet, which comes direct to the hand of the individual and for the time has the whole field to itself in getting his attention.

Adapt your method to your medium.

Making a Trademark a Valuable Asset.

If You Have Money Lying Idle

or invested in a way that is not satisfactory, or that does not yield you more than 4%,
or if you feel that you would like to save a portion of your earnings from time to time and deposit such savings where they would be safe and earn a fair return—we extend to you a cordial invitation to become a depositor of this bank.

The Peoples Savings Bank was founded in 1866. It has the largest capital and surplus of any purely savings bank in the world.

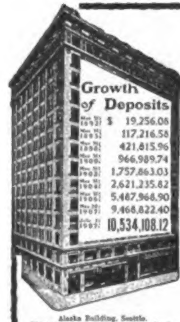
Accounts may be started with any amount from $1 up, and interest is paid at the rate of 4% compounded twice a year.

You Can Bank By Mail

Handsome booklet "C," together with the Story of the Origin of Banking by Mail, sent free to readers of this magazine.

CAPITAL, $1,000,000
SURPLUS, $1,000,000
PEOPLES SAVINGS BANK
FOURTH AVE. AND WOOD ST.
PITTSBURGH, PA.

THE BANK THAT PAYS 4%



Alaska Building, Seattle.
Home of Scandinavian American Bank.

"A Bank that enjoys the confidence of its own home folks to such an extent as to make **these figures** *possible has clearly demonstrated its right to the confidence of the public throughout both state and nation."*

In all American and European financial centers, the Scandinavian American Bank of Seattle is recognized not only as a Safe Bank, but as one of the strongest banks in the Northwest, one of the most conservative in America. With Resources exceeding $12,000,000.00 and a Reserve exceeding $4,000,000.00, this bank affords to its depositors the fullest measure of security; and the most liberal terms that are possible, consistent with that security.

Banking By Mail 4% *Compound Interest*

No matter where you live you may *Send your Deposit by Mail* and you will receive by return mail our bank pass book with the amount credited therein. Savings accounts opened from $1.00 up. Interest at 4% begins first of each month. Booklet mailed if desired.

Scandinavian American Bank

Alaska Building, Seattle, Washington

SAVING A FORTUNE

Great fortunes, almost without exception, are the slow growth of safe investment. Fortunes that come quickly usually go quickly. Invest your money at fair interest and take no risk. Save the interest and invest that. You can be sure of absolute safety if you buy our $500. Guaranteed First Mortgage Certificates. Interest 4½%.

Send for descriptive booklet

TITLE GUARANTEE & TRUST Co

Capital and Surplus, $12,000,000

176 BROADWAY
NEW YORK CITY

175 REMSEN ST.
BROOKLYN, N. Y.

6% New York Central Realty Bonds

An Investment for Your Savings

Our 6% GOLD BONDS are secured by First Mortgages on NEW YORK REAL ESTATE, deposited with the WINDSOR TRUST COMPANY, TRUSTEE. $105,000 of these First Mortgages being deposited for every $100,000 of bonds issued. These bonds provide an investment for your savings which pays 6% interest and, after the first year, offers the *same privilege of withdrawal as a Savings Bank account.*

Your investment can be placed in

Multiples of $100

These convenient amounts enable you to keep your entire surplus earning this high rate of interest.

For sums smaller than $100 we issue instalment certificates, to apply on our full paid bonds. You can purchase this FIRST MORTGAGE SECURITY in instalments of

$5 Dollars and Up

each instalment bearing interest from the date of its payment and subject to withdrawal at any time.

For the large or small investor our 6% FIRST MORTGAGE BONDS combine the three essentials of the perfect investment; Absolute Security—High Earning Power—Cash Availability.

Write for our booklet. It explains how you can stop that loss of from ¼ to ⅓ on your interest earnings.

NEW YORK CENTRAL REALTY COMPANY

Suite 1736, 1133 BROADWAY, NEW YORK
(Surplus and undivided profits $1,000,000.00)

Some Good Magazine Copy.

A Boston student of advertising submits the following advertisement for criticism:

MONEY
is what everybody wants. You are getting some every week, and perhaps spending it all. A little of it
PUT AWAY NOW
where it will work and grow will impart to you a constantly increasing sense of satisfaction, and, best of all,
WILL MAKE YOU INDEPENDENT THEN
when physical incapacity lessens your earning capacity.

THE BLANK SAVINGS BANK.

This ad. contains good ideas. It has the desirable personal element in it. The style makes the display type an advertisement in itself. Simple language would have been better. "Will impart to you a constantly increasing sense of satisfaction" is too heavy. "Thrift will make you feel better satisfied with yourself" would have been better, and "When you get old and can't work and earn so much" is better than "When physical incapacity lessens your earning capacity."

Everybody can understand simple language. So, to reach the largest number of persons, use simple, understandable language. The ad. should give some particular advantages of the bank advertising and should urge the reader to do something definite and at once.

The four half-page magazine financial ads, reproduced herewith, are worth studying. That of the People's Savings Bank gets distinctiveness by its indented border and by the attractive cut with a liberal white space background. Notice how the important things in this ad. stand out—"4 per cent. interest," "If you have money lying idle," "You can bank by mail," and the name of the company. Sending a handsome booklet free is good because it gives the bank the names of "prospects" to follow up.

The Scandinavian American Bank has a striking ad., but makes a mistake in running a quotation without saying whose words are quoted.

Title Guarantee & Trust Co. gets a very strong display by the use of a white letter on a black background. It is a good idea, too, to reproduce the guaranteed first mortgage certificate, as that is the thing advertised.

The advertisement of the New York Central Realty Co. has a very strong border effect. The idea is worth copying in bank newspaper advertising. A zinc cut can be made with a "mortise" cut out so that the same border can be used with change of copy inside it. This company also knows how to bring out its strong points in display lines.

The ads of the American Bank Note Company illustrate the proper use of a trademark in advertising. Probably you have noticed the same idea in the advertising of the Curtis Publishing Co., of Philadelphia, publishers of the Ladies' Home Journal and the Saturday Evening Post. Mr. W. P. Colton, advertising Manager of the American Bank Note Company, is one of the best advertising men in the country. He was advertising manager of the Lackawanna Railroad when Phoebe Snow first began to sing the praises of the "Road of Anthracite."

The blackface type bond advertisement of E. H. Rollins & Sons shows good use of small space obtained by simplicity and clearness.

BONDS

Surplus funds can be most safely invested in Municipal, Railroad and Public Service Corporation Bonds.

Investments of this kind yield the highest income consistent with absolute security of principal, and we refer you to our July circular (which can be obtained upon application) for a varied and well selected list of bonds of this character, in denominations of $100, $500 and $1,000.

E. H. Rollins & Sons
(Organized 1876)
238 La Salle St., CHICAGO
Boston Denver San Francisco

Simple and Strong.

The four newspaper ads. of the Union Savings Bank, of Pittsburgh, are part of a splendid series. This bank is five years old and has been a persistent advertiser from the start. Now it has deposits of more than $6,000,000, and depositors all over the world. The William S. Power Company has charge of the advertising.

Savings Talks No. 3

Most people expect to be prosperous some day—
They don't know why or how or when—
Just expect fortune to smile on them in some mysterious way—
Why leave the matter to chance?
Build your own fortune—
Lay the foundation—
Today—
With a dollar—
In this strong bank—
Absolute safety—
And 4 per cent.

The Union Savings Bank,
Frick Building

Savings Talks No. 9.

Elbert Hubbard, the talented editor, and the head of the Roycroft shops, says:
"The man with the 'bank habit' never gets laid off—
"The 'bank habit' means sound sleep, cool judgment, good workmanship—
"A man with the 'bank habit' is too valuable to part with—"
You can start the "bank habit" at this strong bank with $1.00—
4 per cent—
Absolute safety—

The Union Savings Bank
FRICK BUILDING.

Savings Talks No. 13.

How much are you worth?
If all your debts were paid how much would be left?
Perhaps not a solitary copper—
And yet—
Just think of the money that has passed through your hands—
A little of it saved regularly would have made a nice sum—
It's not too late to begin—
Better put a dollar in this strong bank today—
4% and absolute safety.

THE UNION SAVINGS BANK
FRICK BUILDING.

SAVINGS TALKS NO. 14

Small debts accumulate rapidly—
Small savings do likewise—The man or woman who starts either to save or to spend is surprised at the result—
Spending everything means continual worry, perhaps a mountain of debt—
Saving, putting by a little each week, means a stack of dollars and "that comfortable feeling"—
Which are you doing?
Let's hope you have elected to save in the future, if not in the past—
Better begin right now—
4%—
and absolute safety at

THE UNION SAVINGS BANK
FRICK BUILDING.

Commonsense Savings Talk.

The Canadian banks have a habit of publishing their annual reports in full and the typographical form of the booklets containing them is usually very good. La Banque Nationale, of Quebec, has just issued a particularly good one for the year 1907, being its 47th annual one. It publishes a full list of its many branches and stockholders. The booklet is printed on good stock and has an embossed cover, with extension and deckeled edges.

The Eastern Townships Bank of Sherbrooke, Que., has published a folder containing a map with the location of all its many branches in Canada marked on it.

G. W. Todd & Co. of Rochester, N. Y., manufacturers of the Protectograph, have got out some very good booklet matter advertising their article. Two pieces are particularly good. One is entitled "The Law and the Lantern." The other is a circular with a reply postal card attached. The argument in the copy is convincing and the typography and general form of the circular is all that could be desired. We do not think so highly of a third booklet, "Mother Goose's Contribution," although it is striking. There are at least half a dozen ways not to write a booklet on a serious business proposition and one of them is to exploit it by nursery rhymes and jingles. It may do for breakfast foods, but we doubt its efficacy in the case of something which is meant to appeal to business men as a help to them in their business. We venture to prophesy that this company will get better results from its other two pieces of literature than it will from the Mother Goose effort.

We are showing quite a collection of emblems this month, all of them being of Canadian institutions. This is done to help bankers who are thinking of ideas along this line for their own business. The use of a trademark or crest of this kind is a very valuable means of giving individuality to an institution and it helps build up prestige and good will.

George LaMonte & Son, manufacturers of safety papers, sent out a holiday letter to their customers which breathed a fine spirit of optimism and good cheer. We quote a paragraph or two:

"The condition is certainly not as bad as many people have thought, nor as bad as the amount of dust that has been raised would indicate. We are therefore inclined to think that in a very short time we will again be in a normal condition, and possibly with quickened conscience and a keener desire to carry on business in an absolutely straightforward way.

"If this is so, we can soon forget the unpleasant conditions through which we have just passed and devote ourselves with renewed energies to the business in hand, and we think, therefore, that we are not too optimistic in expressing the wish and belief that the year 1908 will be for you a very prosperous and successful one."

The full-page magazine advertisment of the Union Trust Company, of Pittsburgh, copied in reduced size, is one of the most striking financial announcements we have seen in some time, and is certain to cause discussion in financial and advertising circles.

The idea conveyed by the lion and the massive chain border of the design, is, of course, that of strength, and the design and the copy are appropriately tied up by the reference to the institution's stability.

There is only one question that arises in this connection and on this point we would like the opinion of the man who wrote this advertisement and of other advertisers. Would it not have been better to display the name of the company further down in the ad. and to use the top line display for an eye catcher and a link between the design and the copy? For example, something like

this—OUR STRENGTH IS YOUR PROTECTION.

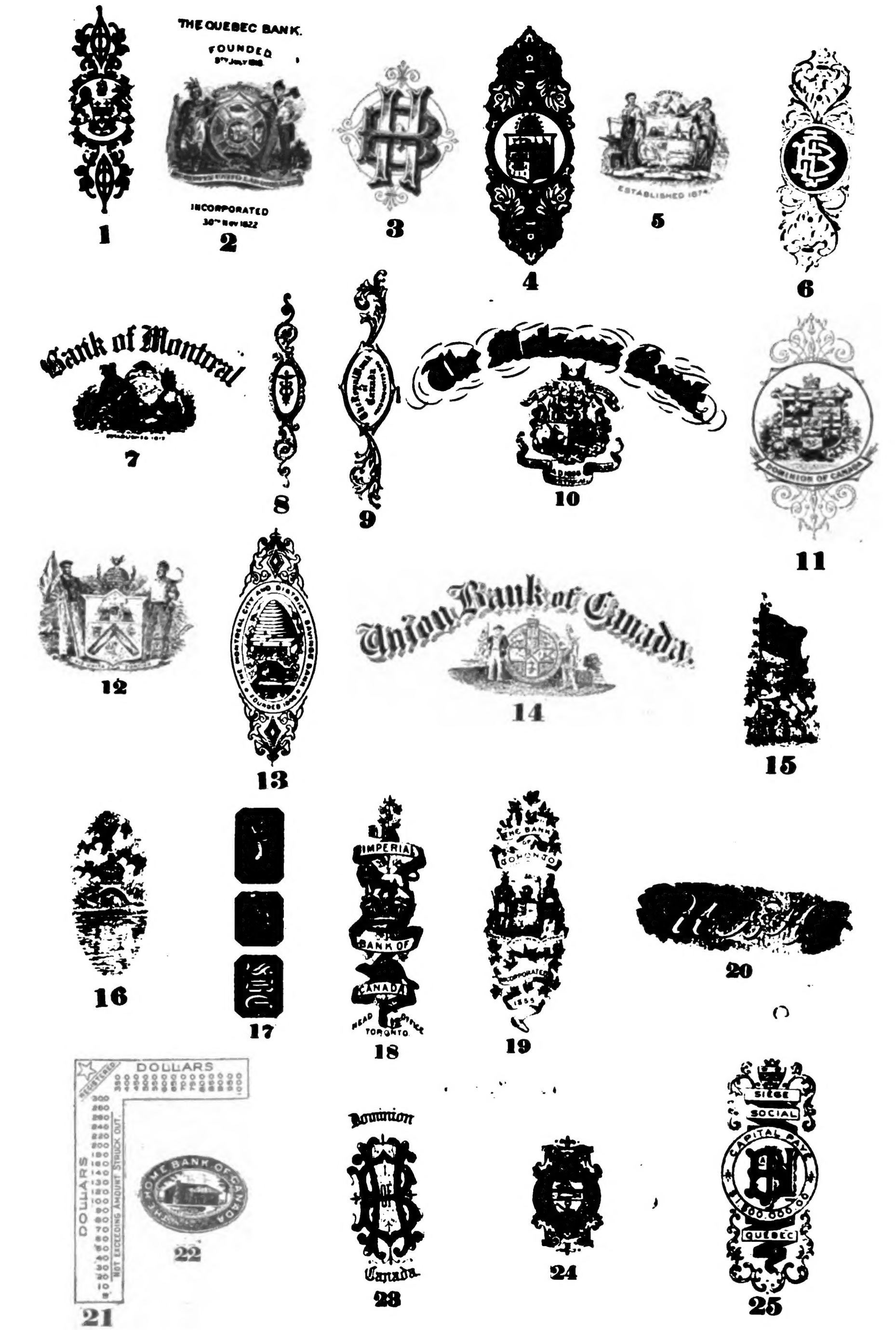
The argument in favor of giving the major display to the name of the company probably is to get as much general publicity for the institution as possible, but is it not likely that just as much general publicity will come from the steady use of a distinctive typographical style and of bright, convincing copy, the whole standing as much for the institution as if the entire space were taken up with its name in the boldest type?

The advantage of the idea we suggest is that it not only insures the same amount of general publicity value to the advertiser, but, in addition, gives opportunity to emphasize some particular feature of the service the institution offers the public and serves to clinch the point made by the design, even in the mind of the hasty reader.

These seemingly minor points about advertising are important, because, after all, it is the aggregate of little things that makes the big things, and the advertiser should overlook no detail that might add to the effectiveness of his publicity.

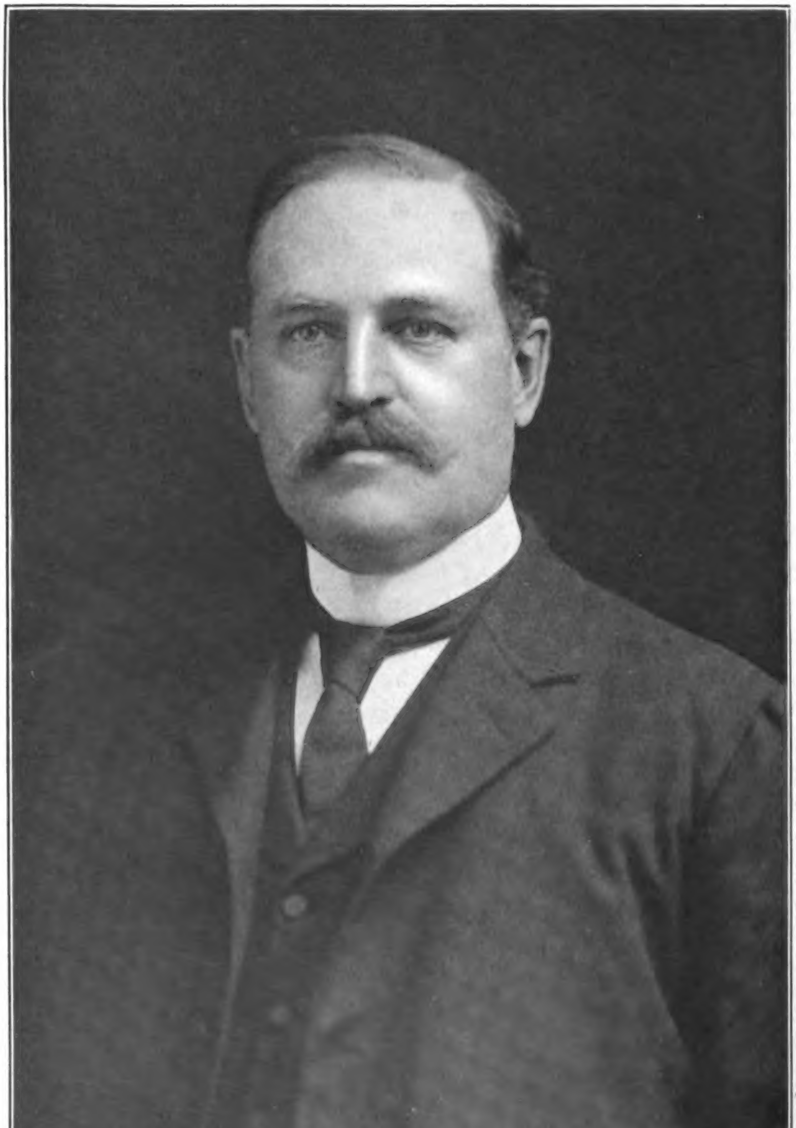
We trust that the readers of this department will make it a forum for the interchange of ideas. We cordially invite criticism, suggestion or inquiry upon any point brought out. Send the details of any plans or methods of publicity that you have found successful. That is, if you are altruistic enough to want to make public the results of your experience, for the good of financial advertisers in general.

A Very Strong Advertisement.



Canadian Bank Emblems.

1. La Banque Provinciale. 2. The Quebec Bank. 3. Banque d'Hochelaga. 4. The Merchants Bank of Canada. 5. Bank of Ottawa. 6. Eastern Townships Bank. 7. Bank of Montreal. 8. The Canadian Bank of Commerce. 9. The Royal Bank of Canada. 10. The Molson's Bank. 11. National Trust Company, Ltd. 12. The Bank of British North America. 13. The Montreal City and District Savings Bank. 14. Union Bank of Canada. 15. The Standard Bank of Canada. 16. The Sovereign Bank of Canada. 17. The Sterling Bank of Canada. 18. The Imperial Bank of Canada. 19. The Bank of Toronto. 20. Union Bank of Canada. 21. Home Bank of Canada (check). 22. Home Bank of Canada. 23. Bank of Hamilton. 24. The Bank of Nova Scotia. 25. La Banque Nationale.



S. M. FELTON,
President Mexican Central Railway Company.

NEW PRESIDENT OF THE MEXICAN CENTRAL RAILWAY.

AMERICAN capital and enterprise have largely aided in the building and operation of the railways of Mexico. Although of late years the Government has been gradually acquiring control of the principal lines, they will continue to be operated by private enterprise.

One of the latest instances of the prominent identification of an American railway official with the railway management in Mexico is afforded by the election of S. M. Felton as president of the Mexican Central Railway. Mr. Felton has had a very extensive railway experience, as may be seen from the following brief biographical sketch.

He was born in Philadelphia, February 3, 1853, and was graduated from the Massachusetts Institute of Technology in 1873. He entered the railway service in 1868. His subsequent connections are thus summarized: Rodman, Chester Creek Road, 1870; assistant engineer, Lancaster Road, 1871; engineer in charge surveys, Chester & Paoli Road, 1872; chief engineer, Chester & Delaware River Road, 1873-1874; general superintendent, P., C. & St. L. Ry., 1874 to 1881; general superintendent, P. C. & St. Louis; Little Miami and Cincinnati and Muskingum Valley Roads, 1881-1882; general manager, New York & New England Road, 1882-1884; assistant to president, New York, Lake Erie & Western Road in special charge New York, Pennsylvania & Ohio Road, February to November, 1884; general manager, New York, Pennsylvania & Ohio Road, November, 1884, to January, 1885; vice-president, New York, Lake Erie & Western Road, in charge of traffic department, January to October, 1885; first vice-president same road, in charge of traffic and operating department, October, 1885, to November, 1890; president, East Tennessee, Virginia & Georgia Ry., 1890-1892; November 21, 1890, to October, 1899, and March, 1893, to October, 1899, also receiver, Cincinnati, New Orleans & Texas Pacific Railway; November, 1890 to 1895, also president Alabama Great Southern Road; October 14, 1893, to February 1, 1900, also receiver Kentucky & Indiana Bridge Co.; June 1, 1897, to September 7, 1899, also receiver Columbus, Sandusky & Hocking Road; president, Chicago & Alton Railroad, September 7, 1899, to December 1, 1907; elected president, Mexican Central Railway, December 1, 1907.

Mr. Felton is a director of the Illinois Tunnel Company, Illinois Terminal & Warehouse Co., Chicago City Railway Company, Central Trust Company of Illinois, Pacific-American Fisheries Co., C. & A. R. R. Co., K. C., St. L. & C. Ry. Co., Mexican Central Ry. Company, and the Louisiana & Missouri River Railroad Company.

He is a member of the New York University Club, Chicago Club, Chicago Athletic Association, Commercial Club, Chicago Golf Club, St. Louis Club, and the Queen City Club of Cincinnati.

The Mexican Central Railway's main line extends from Ciudad Juarez to the City of Mexico—a distance of 1,224 miles. The road has a total mileage of 3,023. Its total earnings for the year ended June 30, 1907, were $31,236,195.32, Mexican currency, and the operating expenses $22,070,177.93.

PROGRESS IN MEXICO.

BANANA growing in Mexico is rapidly assuming importance. Recognizing this, a steamship company has installed special features of ventilation and a full modern equipment for facilitating the handling of fruit on its vessels. Canadian manufacturers and exporters are making a strenuous effort, since the inauguration of a new line of steamers, to increase their sales in Mexico's markets. The merchants of the Republic are furnished at just as low or even lower prices than those previously proffered by American manufacturers, with the assurance of cheaper freight rates on the part of the Canadian competitors.

Formerly no appreciable trade relations existed between British Columbia and the west coast of Mexico, owing to the expense and attendant delays of rehandling and reshipment of freight at San Francisco, via which port goods were shipped. During the past six months, however, the exportation from Mexico of various fruits, hard woods, tobacco, and cigars has shown a considerable increase, while importations into the Republic from Canada, especially of agricultural implements, have assumed marked proportions.

It is estimated that the exports of coffee from Mexico this year (1907) will be in the neighborhood of 50,000,000 pounds, and owing to the high prices the outlook for the planters is a very favorable one. The disadvantage of improper curing of the bean, which formerly prevailed, has been done away with, and improved methods, embracing all modern appliances, are now in general use on all the large plantations. Better grades of coffee and ready sales at high prices have resulted. Recent reports from the coffee districts are to the effect that the trees are loaded with berries and there is every indication that excellent crops may be expected. Picking began about December 1.

Sugar conditions in the coast regions are excellent. Abundant rains have occurred, rendering a fine cane crop. It is estimated that the tonnage from this section will considerably exceed that of last year.

That the immense tracts of long-leaf yellow pine in Mexico may, in addition to the lumber annually produced, be made to furnish the Republic and foreign markets as well with turpentine there has been recently established in the State of Michoacan, near Morelia, a factory for the production of raw turpentine, having a capacity of 200,000 gallons a year. The manufacture of turpentine has been carried on in a small way in Mexico for some time, but in the crudest manner, according to the fashion handed down by the Indians, and naturally it has not made any appreciable commercial showing. It is expected, however, that with the erection of the new plant, which is one of the most modern in existence, the establishment of a successful turpentine industry in the Republic is now launched. As climatic and other necessary conditions obtain here, it is hoped that with the low cost of labor it may be possible for Mexico to enter into and become a controlling factor in the foreign turpentine trade. The plant is now in active running order.

W. L. McCammon, superintendent of motive power on the Mexican Southern Railway, has recently invented a fuel-saving device which has been tried with attendant results of an enormous saving of fuel and improved steaming of the locomotive. The device consists of heat-retaining rings, which are driven in the front end of the flues in the smoke box, thus reducing the area of the flues. The tests already made have been on freight locomotives and have proven more than was expected of the invention.

United States Leads in Commerce.

The general industrial and trade conditions of Mexico are at present such as should command attention in the United States. The country is rapidly advancing educationally, industrially, and commercially; the feeling of the people toward the United States is most friendly, while purchases of American man-

ufactured products are already large and capable of substantial increase.

The total trade of Mexico for the fiscal year 1907 was valued at $239,727,936 gold, of which $116,214,967 represents imports, and $123,512,969 exports (including bullion and specie). The value of the imports from the United States was $72,895,539, and of exports to the United States $87,652,943. The United States takes by far the larger proportion of Mexico's exports and furnishes the greater percentage of her imports. Of the share of Mexico's imports furnished by European countries, Germany supplies most, representing a value of $12,165,767, followed by Great Britain with $11,749,275, France with $8,781,624, and Spain with $3,970,542. Other European countries show much lower figures, and are, in their respective order, Belgium, Italy, Austria-Hungary, and Switzerland.

The above figures, though gratifying as regards the trade of the United States with the Republic, should not create a feeling of over-confidence. Trade with European countries shows a constant increase much larger in proportion than that accredited to the United States. For comparison, the following gains for the fiscal year 1907 over 1906 are noted: Germany, $1,872,739; Great Britain, $1,698,867; France, $728,307; United States, $415,806. The nations of Europe are certainly alive to the importance of Mexico's markets.

The principal articles imported from the United States into Mexico are coal, lumber, gunpowder, manufactures of iron and steel, machinery, raw cotton, wheat, and boots and shoes. Mexico's principal exports to the United States are copper, lead, goatskins and hides, coffee, and textile grasses.

AGRICULTURE IN COLOMBIA.

CONSUL ISAAC A. MANNING, of Cartagena, reporting on the crude agricultural methods prevailing in Colombia, writes as follows relative to the opportunity therein for the introduction of American tobacco-cultivating implements:

"Colombia is credited with being an agricultural country, but it is said that in the great wheat-growing belt of the interior the grain is yet planted in the old-time way, reaped with a cradle or the older sickle, and thrashed with a flail. I know it to be true that much tobacco is planted in soil where the only cultivation has consisted of cutting down the brush, burning it, and then setting out the plants.

"One thing necessary before any great business can be done in agricultural machinery of any kind in this country will be to demonstrate the use thereof in a practical way. Agricultural machinery is not known here, much less understood, and the people must be shown how it can be used, wherein conditions would be bettered by improving their methods of cultivation, and that American machinery is simple enough for the common laborer to use. The people here are not mechanics and have few mechanical ideas. They fear a piece of machinery because they do not understand how or why it does its work. Demonstration is the only way to overcome this condition and lack of application. Until something has been done to show the people how American agricultural implements work there is little use to send catalogues."

CANADIAN-MEXICAN STEAMSHIP LINE.

THE Mexican Pacific Company, composed of Americans and Canadians, which has arranged to establish a new steamship line between the ports of Acapulco, Manzanillo and Mazatlan and ports on the Pacific coast of the United States and British Columbia, will operate five vessels, the first of which will be put into commission shortly.

This company owns 500,000 acres of land in the State of Guerrero adjacent to the port of Acapulco. This land is being planted in bananas and other tropical fruits, for which a market will

be found in the United States and Canada. The company this season had 3,000 acres in cotton and it has established a cotton mill upon its holdings to utilize the product raised.

The survey has been made for a railroad 100 miles long, which the company will build from Acapulco to a point on the Balsas River. The material for the construction has been purchased and will be brought to Acapulco by the vessels of the new line.

The plans of the company in the matter of supplying the Northwestern part of the United States and British Columbia with various kinds of Mexican products, including sugar, which it is arranging to manufacture from cane grown upon its plantation, are very ambitious. It is stated the company has a capital stock of $5,000,000 gold and that a good part of this sum is to be expended in building the railroad and in making improvements to the other properties of the company. The president of the company is Moritz Thomson, who has extensive manufacturing interests in Seattle, Portland and Japan. Other wealthy members of the company are J. D. Trenholme, T. F. Ryan, F. M. Connell, all of Seattle; Otto Weiler, of Victoria, B. C.; F. T. Warren, of Toronto, and F. C. Greenough, of Butte, Mont.

CENTRAL AMERICAN TREATY.

THE delegates to the Central American peace conference, which met a short time ago in Washington to formulate a treaty for the maintenance of peace between the five Central American republics, have agreed upon a treaty which will be submitted to their various Governments for ratification.

The treaty provides that the high contracting parties, in order to avoid the employment of force for the settlement of disputes, agree to establish the Central American Court of Justice, to which they bind themselves to submit all controversies or questions that might arise between them, of whatever nature

Dock in Buenos Aires, Argentine Republic.

or origin, if the respective foreign departments cannot settle them. The court shall also have jurisdiction over such questions as individuals of one Central American country may raise against any of the contracting Governments on account of the violation of treaties, conventions and other cases of international character, no matter whether such individual Government supports his case or not; provided, of course, that he has exhausted the legal remedy afforded him by the law of the country of which he is complaining.

The court also has jurisdiction over such cases as may be voluntarily submitted by any two of the said Governments. It shall also have jurisdiction over such questions as any one of the Central American Governments may agree with any foreign Government to submit to it.

The delegates have agreed to recommend to their respective Governments that a monetary conference be held at Tegucigalpa, Honduras, on January 1, 1909, at which the rate of exchange between the various countries will be discussed. All the treaties agreed upon and signed by the delegates will have to be submitted to their respective Governments for ratification.

COAL IN CHILE.

CONSUL ALFRED A. WINSLOW, of Valparaiso, reports that the fuel question is being closely studied by the leading interests in Chile, continuing:

"It is becoming evident to the people that it is unwise to buy coal from abroad at high prices, including freights, when the country contains immense quantities of coal that averages only about five to ten per cent. inferior to the best English coals. The value of the importations of coal for 1906 was about $7,464,531 United States gold, of which the United States supplied only about $69,722 worth, against England's $5,420,658. It is estimated that Chile has paid over $30,000,000 for foreign coal since 1900, which is a heavy drain on a country of but 3,500,000 people.

"Less coal was mined in Chile during 1906 than in 1905, which was due to labor troubles and water getting into one of the largest mines, which extends far out under the ocean at Lota. Some fine coal deposits are found in the interior, some 50 to 60 miles from the coast, which it is proposed to open up as soon as transportation facilities are provided, which is not likely to be done within the next two or three years. It is thought there will be more coal mined in Chile this year than ever before during a like period, but not sufficient to meet the increased demand, so the imports for 1907 must exceed those for 1906.

"There is a good opening here for American coal in large quantities. The price for coal is high, being from $8.50 for Australian to $10.50 for Cardiff, in cargo lots. Coal enters free of duty."

SIZE OF SOUTH AMERICAN COUNTRIES.

REGARDING some erroneous ideas of the size of certain South American countries, the New York "Sun" of recent date said:

"One of our contemporaries referred yesterday to 'little Paraguay.' That Republic is four-fifths as large as Germany.

"Many persons have very erroneous notions as to geographical sizes and lengths in South America. They have not the slightest idea that Brazil is nearly as large as the whole of Europe, that the distance between the north and south ends of Chile is as great as that between the North Cape of Europe and Gibraltar, and that steamers ply almost straight north and south on the Parana and its Paraguay affluent for a distance about equal to that between New York and Omaha.

"It is easy to see how depreciation of South America was encouraged. For many years map makers thought that South America did not amount to very much in comparison with North Amer-

ica and Europe, so while they were turning out map after map of different parts of North America and Europe on large scales they would finally glance at South America and decide to crowd the whole continent into a single atlas sheet. This process made the great Amazon look very puny beside our wide-spreading Mississippi.

"As long as geographers and map makers were content to treat South America in this curt and summary fashion there was, of course, a great deal of misconception about the continent. But the more we study the land the more interesting it appears to be, and the large maps now made of South America show that her distances are as magnificent as the wealth of resources she will in future years pour into the lap of the world."

BUSINESS IN CHILE.

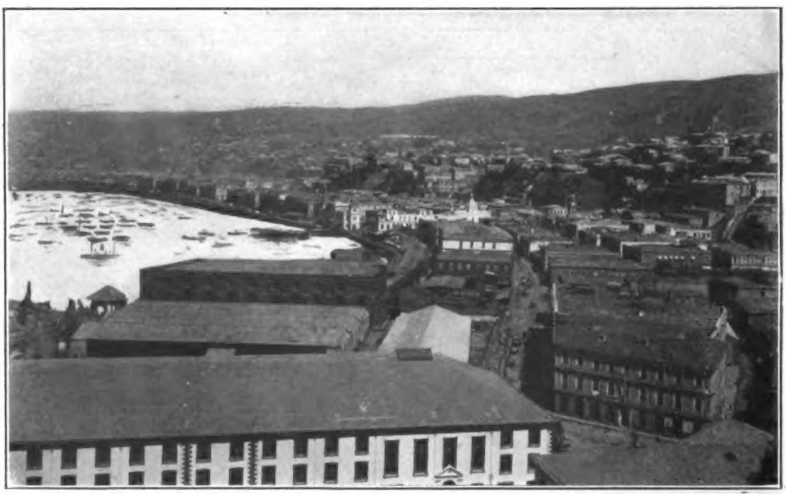
CONSUL ALFRED A. WINSLOW, of Valparaiso, reports that the outlook for prosperous business conditions for Chile for the next year is excellent, and furnishes some particulars in his letter of recent date:

"Laborers in this country are all employed at good wages, and the crops promise well, with prices for farm products very high. The last bank statement for all the banks of Chile, which has just been published, makes an excellent showing as compared with the previous six months' exhibit. The statement in United States currency follows:

Items.	Jan. 1, 1907.	July 1, 1907.
Capital paid in..	$51,488,440	$59,106,479
Total resources ..	272,453,314	308,674,117
Cash deposits	142,178,660	178,295,902
Surplus	8,626,216	11,296,710

"This favorable showing is followed by the increased customs receipts for the first nine months of 1907, which show a gain for that time of $3,384,856, the total for the nine months being $25,592,761. About seventy per cent. of the increase was on imports and 30 per cent. on the export of nitrates and the by-products. The Government has some important public improvements under way, and private interests are making extensive improvements, especially at Valparaiso and in the vicinity.

"There is only one cloud on the horizon, of any importance, and that is the depreciation of the currency of the country. Shortly after the beginning of 1907, gold was at a premium of only



Glimpse of Valparaiso, Chile.

twenty-eight per cent., while on October 1 it was fifty-five per cent., with very little promise of better conditions, as a new issue of paper money is being put out by the Government to the amount of $30,000,000, with practically no redemption fund to back it."

MEXICAN NATIONAL FINANCES.

JOSE YVES LIMANTOUR, Mexican Minister of Finance, reports that the total reserves of the Federal Government at the end of the last fiscal year amounted to $69,632,273, an increase of $12,134,397 over the end of the preceding fiscal year. A little over $15,000,000 is available for the Government Exchange and Currency Commission. Of the remainder about $40,000,000 is on deposit in the Banco Nacional, about $9,000,000 in the Bank of England, and the rest in other banks.

The foreign debt was reduced by $4,289,293 during the year, but the interior debt was increased by the issue of five per cent. bonds to the amount of $2,107,200, paid as subsidy to the Kansas City, Mexico & Orient; the Merida & Valladolid and the Pan-American Railway.

Revenues during the year amounted to $114,027,009, and regular expenditures to $85,076,640.

The estimated receipts for the coming year total $103,385,000, while the expenses will reach $103,203,842, leaving an estimated surplus of $181,158.

The total increase of this year's budget reaches the sum of $6,592,275; the largest item in the increase being $1,367,589 for maintenance of the Department of War.

IMPROVED MAIL SERVICE.

SPEAKING at the annual dinner of the Rochester (N. Y.) Chamber of Commerce on the evening of December 12, Hon. John Barrett, Director of the International Bureau of American Republics, said:

"Before concluding, let me express a word of warning. Unless the Government or business interests of the United States take some direct steps in the near future to establish first-class fast mail, passenger and express steamship lines between the principal ports of the United States and those of South America, it will be absolutely impossible for our country to hold its own in the competition with Europe and Asia for the trade of South America. It is a remarkable but truthful fact that there is not to-day one single steamship plying between New York and the great Argentine capital of Buenos Ayres, the principal port of South America, which can compare with the score of splendid new fast vessels that are running between that city and the leading ports of Europe.

"What is the result? All the business men and travelers in general of Argentina and Brazil are going to Europe instead of the United States to make their purchases and spend their money. The mails are carried to Europe in one-half the time they are to our country. Express freight cannot be ordered in the United States because it takes twice the time to reach its destination as that of Europe. The situation does not involve subsidies; it is purely an issue of paying a proper price or wage to steamship companies, so that they can put on vessels that can compete with those of other countries.

"Just as we pay railroad companies a large sum for carrying mails on land in fast express trains, we must pay steamship companies proportionately for carrying the mails rapidly upon the high seas. Let us do away with the bogey cry of 'subsidy' and make simply a business transaction, that is, pay the necessary wage in order to get the work done. If the business men of Rochester and the farmers of New York will look upon this shipping question in this light, the problem will soon be solved."

NEW $6,000,000 BANK.

THE Bank of Laguna, with a capital stock of $6,000,000, opened for business at Torreon, Mexico, on January 1. It will be the strongest bank in the country outside of the City

of Mexico, and the fact that all of its capital was subscribed within a few weeks, notwithstanding the general financial depression, is looked upon as a remarkable achievement.

The bank is chartered by the Federal Government. Its chief purpose is to finance large industrial enterprises looking to the development of the Nazas River Valley region. The directors and stockholders of the new concern represent a large number of the wealthiest men in Northern Mexico. The chief officers are: Juan F. Brittingham, of Gomez Palacio, Mexico, president; Miguel Torres, general manager; Luis Garza, of Durango, first vice-president.

Gauchos, or Cowboys, of the Argentine Pampus, in Camp.

MINERAL WEALTH OF COLOMBIA.

FROM a German railway constructor and mine prospector, who has for some years been investigating Colombia's possibilities, Consul Isaac A. Manning, of Cartagena, learns that the Choco and San Juan districts of Colombia are very rich in gold and platinum, but until they are tapped with routes of communication, over which provisions and machinery can be taken to the mines, there is little hope for their development. Very little in the way of provisions is at present to be had in those districts, and hence the mining is left to the natives, if washing the gravel from the bars in wooden bowls can be called mining, sluice boxes, rockers, or any modern mode of placer working being entirely unknown, and only loose gravel on the bars or in the beds of the creeks receive attention. In the platinum belt there are special agents purchasing that metal for France and England, and there would seem to be no reason why American merchants should not also become purchasers thereof. The metal is sold in Quibdo, according to reliable information, at $12 per ounce.

NATIONAL BANK OF MEXICO.

THE National Bank of Mexico has opened a new branch at Tapachula, State of Chiapas. As the Pan-American Railroad is now completed to Tapachula, it promises to become a place of commercial importance.

GENERAL NOTES.

—It is announced that no reduction of construction forces on the new line the Mexican Central is building between its Tampico-Aguas Calientes division, near Tampico, to connect with its Mexico City line at Apulco has been made notwithstanding the financial stringency. More than thirty miles have been finished and additional construction camps are to be established early in the coming year. It is stated that the bridge over the Panuco river will be a triumph in civil engineering. The new line will traverse the gulf coast region for more than one-half the distance to Apulco. It will open up one of the most fertile agricultural regions in Mexico.

—The amended concession which the Federal Government has granted for the construction of the Sierra Madre & Pacific requires that it shall be completed to Madera by May 1, 1911, an extension of two years from the date originally fixed. Extension from Nuevas Casas Grandes to Madera is progressing slowly, as the grading forces have been recently reduced. H. R. Nickerson, president of the road, says that there is to be no abandonment of any of the construction plans on account of the disturbed condition of the money market. At Madera the road will connect with the new line, fifty miles long, owned by the same interest, which runs to Temosachic.

—Over 700 laborers are at work west on the Leon-Guadalajara section of the Mexican Transcontinental Railroad, and additional forces are being organized under sub-contractors to push the construction of the new line to Guadalajara as rapidly as possible. Grading was begun over a month ago. The date when tracklaying will be begun has not been announced, but it is stated that the Transcontinental company is assembling rails and ties at Leon with the intention of putting on a steel train shortly.

—The Mexican Government is preparing plans for the largest dry dock in the world at the port of Salina Cruz, the Pacific terminal of the National Tehuantepec Railroad and the scene of great industrial activity. In addition to the millions which have already been expended there in gigantic port works and terminal facilities, many more millions are to be spent in the dry dock and other improvements.

—Mexico doubles it population in eighty years. In 1810 the census showed 6,964,016 inhabitants, of whom there were of European or Spanish descent, 1,106,041; of Indians, 4,546,032, and of mixed races, 1,311,943. The last census shows a population of about 14,000,000. More recently competent authorities have estimated the national growth in the census figures of about 200,000 a year.

—Consul-General A. L. M. Gottschalk, of Mexico City, in announcing a recent Mexican Government concession, calls attention to the danger of the total exhaustion of the guayule rubber supply in that country.

—One of the hindrances to Mexico's industrial progress—cheap fuel—seems in a fair way to be overcome by the development of electrical power. At the rapid rate at which applications are being made for concessions to install ~~hydro-electric plants~~ it will not be many years before the electric power development of Mexico exceeds that of any other country. It is claimed that the power afforded by the numerous rivers, particularly in the mountainous districts where the principal mining camps are, is sufficient for operating all the mines and mills and other industrial plants in the country. Already some of the largest hydro-electric plants in the world have been installed here, notably that of the Canadian syndicate at Necaxa, which supplies a number of cities.

—Bernard MacDonald, an American who has made a fortune in mines in Mexico, is at the head of a company to install a series of electrical plants in Northern Mexico, the Monterey Hydro-Electric Co., to expend about $3,000,000 on the Pilon river, near Montemorelos, State of Nuevo Leon. These plants will be three in number and more than 12,000 horse power will be generated. The water will be brought from the river through a tunnel eight miles long. The power will be transmitted to Monterey, Montemorelos, Linares and other towns of that region.

LETTERS TO THE EDITOR.

DUTIES OF BANK DIRECTORS.

Editor Bankers' Magazine:

SIR: After reading the newspaper and magazine articles, and even publications treating on the duties of bank directors, and also knowing of the constant warnings of the Comptroller of the Currency and the banking departments of the states, one is led to ask why any man competent to be a bank director should be one? The public are being educated into a frame of mind to believe that if a bank fails the directors should go into their pockets to make the loss good, or failing to do so, should be lynched.

As there must be some reason for the action of a sensible man, and most bank directors are chosen because they are sensible and successful, it must be presumed that these men have accepted these positions for good reasons; but I am not sure that this is the case with the majority. In the bank of which I am a director, some but not all of the directors act because they represent considerable stock of their own or their relatives. One whose holding is very small acts merely as an accommodation to the others, and as he is a very busy man it should be the case that the other owners are grateful to him for so doing, though I don't think they are. The bank pays very little for the services of its directors, and could not afford to pay them what their time is worth, nor is any pretence made of doing so.

In the case of thousands of men who are acting as bank directors in the United States, it is probable that they accepted the office and duties merely because they were asked to, and did not wish to be disobliging, and without any thought as to what might be required of them, further than that they should vote to put honest men in charge of the bank, or turn them out if they proved dishonest or incompetent. The time was, nearly forty years ago, when the writer first entered a bank, that a bank director loomed very large in the business world, and a first-class bank president outranked the mayor; but with over 24,000 banks in the country the distinction of being a bank director is very small, while demands are almost fiercely made on them that they shall make no serious mistakes that they are not willing to pay for.

An ideal board of directors is one composed of large owners of the stock of the bank, who are interested in its being safely conducted and paying a profit large enough to pay them for their time and trouble; but, as all bank managers know, this ideal is seldom realized, and the manager has to cast around among small stockholders, or those he knows will not be able to give time to their duties; perhaps not even live where the bank is conducted. In such event he feels that the favor is all with the person who is solicited to become a director, especially where the new director happens to be a good borrower, because he then immediately becomes an object of suspicion to the powers that be; either the Comptroller or the state board of banking. Every loan he gets must be reported, also every loan for which he becomes security. The bank examiner must know all about him, and if he should be so unfortunate as to fail while owing the bank, he stands but little above an embezzler.

What a sensation would be caused by a universal strike of bank directors because of the censure that is being heaped upon them! Suppose that after an unusually severe malediction from the Comptroller the majority of the boards of several hundred national banks should resign. Who could blame them, and why? A man can stand some impersonal abuse if he is well paid for it, but not one director in five hundred is well paid or probably paid at all.

If this universal condemnation of bank directors goes on, it will some day

be necessary to draw them like jurors, with as much unwillingness to serve.

DIRECTOR.

——— OREGON, Nov. 19, 1907.

ELASTIC CURRENCY NEEDED.

Editor Bankers' Magazine:

SIR: The financial trouble now confronting us caused me to hunt up the letter I received from you a year ago in response to a letter I wrote you enclosing some newspaper clippings in regard to the Treasurer of the United States depositing funds in national banks. It seems to me that these financial difficulties that crop up every year at this time, and this year harder than ever, ought to cause something to be done to relieve our financial difficulties. I see by the papers that the Secretary of the Treasury is relieving the situation in Minnesota and Wisconsin. I don't hear of any steps being taken to help us out here, perhaps we are too small. The bean and potato men in this section will require no small sum to move their crops, also the wine men and the fruit men. It will require a large sum to move the citrus fruit crop in the southern part of the state.

It occurs to me that we need an elastic currency more than anything else. The banks are virtually adopting that plan. The clearing-house associations throughout the country are issuing clearing-house certificates upon the banks depositing with the association first-class bonds charging eight per cent interest. We are informed that the prime cause of the trouble is due to Heinze and his allies trying to corner copper. Is this not speculation? We out here feel that the action of J. Pierpont Morgan was very timely and he is to be commended.

You mention in your letter that a system of circulation without bond security would be far more serviceable to the people. At present National banks cannot take United States deposits until they have taken out bonds and deposited them with the Secretary of the Treasury to secure the deposit. Unless there is a good amount to keep on deposit, there is nothing in it.

Towns in this locality are not cashing any outside checks. I hope this experience will cause something to be done to give us a more serviceable currency.

Yours truly,
F. A. CRAMBLITT,
Assistant Cashier
First National Bank.

STOCKTON, CAL., Nov. 7, 1907.

INSURANCE OF DEPOSITS.

Editor Bankers' Magazine:

SIR: If it is desirable to get more of the country's money into the banks, why do not the bankers unite in advocating some form of insurance, under Federal supervision, for depositors along the lines suggested in the past year or two?

While it is a well-known fact that the great majority of the national banks are perfectly sound, yet it is true that there is an occasional failure among them, and the average citizen quite rightly mistrusts his ability to distinguish between the sound banks and the weak ones.

I presume it is not possible to make depositors as secure against loss by bank failure as are the holders of national bank notes, but if their security could be made to approximate that of the latter class, I believe that deposits would greatly increase.

I believe that an essential feature of such insurance, whatever the details of the scheme may be, is control or supervision by the Federal Government. While there is a great outcry against extending the powers of the Government at Washington, and all that sort of thing, it is nevertheless true that our people have great faith in it, and a well-considered scheme of insurance of depositors, backed up and enforced by the Federal Government, would inject more confidence into the masses than anything else could.

At present, a bank failure is so well advertised by the newspapers that a

shock to confidence is given all over the country. If, however, a scheme can be devised whereby a failure would be unaccompanied by the present heart-breaking losses to depositors, the benefits therefrom would be felt by all the banks, strong and weak, though perhaps in unequal degree. The bankers, therefore, should not allow apathy, or a disposition to haggle over the distribution of the expense of insurance, to long delay the inauguration of some such scheme. BANK DEPOSITOR.

WILKINSBURG, PA., Nov. 26, 1907.

CERTIFICATES OF DEPOSIT WITH COUPONS ATTACHED.

Editor Bankers' Magazine:

SIR: Following up your article on Certificates of Deposits, why wouldn't it be a good idea for banks that pay interest on certificates of deposit to issue them with coupons attached for one, two or three years, interest payable on return of coupon properly endorsed?

Thus a $100 certificate of deposit, bearing interest at three per cent., issued for two years, would have attached four coupons for $1.50 each, payable to the person named in the certificate, and if principal is paid before expiration of two years, all coupons not due to be returned with certificate before final payment.

This system would be quite attractive to depositors, as coupons could be cashed without a trip to the bank.

W. A. DYER,
Secretary Cambridge Trust Company.

CHESTER, PA., Dec. 26, 1907.

HEAVY MORTALITY LIST.

RAILWAY accidents are responsible for the death of so many people each year that it is coming to be realized that strong measures will have to be taken to compel the roads to take better precautions for protecting the lives of employees and passengers. The Inter-State Commerce Commission's bulletin upon accidents upon railroads of the United States during the year ended June 30 last, shows total casualties 81,286, or 5,000 persons killed and 76,286 injured. This indicates an increase of 10,352 casualties or 775 in the killed and 9,577 in the injured, as compared with the previous year. These figures include only accidents to passengers and to employees while actually on duty on or about trains. The bulletin says:

"There have been heavy increases in all of the items, except accidents in car coupling and from striking against overhead obstructions. The number of passengers killed and injured in collisions and derailments has increased to an alarming degree. In this item the very large total reported in 1905 is now exceeded by 17 per cent. The disastrous record of casualties to passengers in train accidents, 410 killed, is due in large measure to ten accidents, which caused the death of 291 persons."

NEW COUNTERFEIT ($10) NATIONAL BANK NOTE.

SERIES of 1882; check letter G; face and back plate numbers indistinct; charter number 5105; bank number 6945; Treasury number 79345; J. W. Lyons, Register; Ellis H. Roberts, Treasurer. This counterfeit is on the Wells Fargo Nevada National Bank of San Francisco, Cal., and is a very poor photographic production, printed on heavy bond paper, with no silk fiber. The Treasury numbers have been traced over with red ink. The back of the note is better than the face, being a fair imitation of the genuine, except the coloring around the charter number, which is a muddy green. This note should not deceive the ordinary handler of money.

THE ALDRICH AND FOWLER CURRENCY BILLS.

BILLS have been introduced in the House and Senate for effecting certain reforms in the bank-note currency. Senator Nelson W. Aldrich, Chairman of the Finance Committee of the Senate, introduced a bill in the Senate on January 7, providing for an emergency currency, based on state, municipal and railway bonds. Hon. Charles N. Fowler, Chairman of the Banking and Currency Committee of the House, introduced a bill in the House on January 8 providing for a comprehensive and scientific reform of the banking and currency systems. Both bills are presented below in full.

The Aldrich Bill.

The Aldrich Bill provides for the issue of an emergency currency, not to exceed $250,000,000, based on state, city, county and railway bonds, the additional notes to be taxed at the rate of one-half of one per cent. per month. The Secretary of the Treasury, the Treasurer of the United States and the Comptroller of the Currency are virtually constituted a board to determine when this currency shall be issued, and to regulate and control it.

"A bill to amend the national banking laws." Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any national banking association which has circulating notes outstanding, secured by the deposit of United States bonds to an amount of not less than fifty per centum of its capital stock, and which has a surplus of not less than twenty per centum, may make application to the Comptroller of the Currency for authority to issue additional circulating notes to be secured by the deposit of bonds other than bonds of the United States. The Comptroller of the Currency, if in his judgment business conditions demand such additional circulation and the condition of the association making the application warrants the issue, may approve such application, and shall determine the time of issue and shall fix the amount within the limitations hereinafter imposed, of such additional circulating notes to be issued. Whenever after receiving notice of such approval any such association shall deposit with the Treasurer or any Assistant Treasurer of the United States such of the bonds described in section two of this act as shall be approved in character and amount by the Treasurer of the United States and the Secretary of the Treasury, it shall be entitled to receive, upon the order of the Comptroller of the Currency, circulating notes in blank, registered and countersigned as provided by law, equal in amount to seventy-five per centum of the market value, as fixed by the Treasurer of the United States, of the bonds so deposited, such additional circulating notes to be used, held, and treated in the same way as circulating notes of national banking associations heretofore issued and secured by a deposit of United States bonds, and shall be subject to all the provisions of law affecting such notes: Provided, That the amount of such additional circulating notes delivered at any time to any association shall not in any case exceed the limit fixed for such issue by the Comptroller of the Currency: And provided further, That the total amount of circulating notes outstanding of any national banking association, secured by United States bonds or otherwise, shall not at any time exceed the amount of its unimpaired capital and surplus: And provided further, That there shall not be outstanding at any time circulating notes issued under the provisions of this Act to an amount of more than two hundred and fifty million dollars: And provided further, That all acts and orders of the Comptroller of the Currency and the Treasurer of the United States authorized by this section shall have the approval of the Secretary of the Treasury.

Sec. 2. That the Treasurer of the United States, with the approval of the Secretary of the Treasury, may accept as security for the additional circulating notes provided for in the preceding section, bonds or other interest-bearing obligations of any State of the United States, or any legally authorized bonds issued for municipal purposes by any city or county in the United States which has been in existence as a city or county for a period of fifteen years, and which for a period of ten years previous to such deposit has not defaulted in the payment of any part of either principal or interest of any funded debt authorized to be contracted by it, and which has at such date more than twenty thousand inhabitants, as established by the last national census, and whose net indebtedness does not exceed ten per centum of the valuation of the taxable property therein, to be ascertained by the last preceding valuation of property for the assessment of taxes; or the first-mortgage bonds of any railroad company, not including street-railway bonds, which has paid dividends of not less than four per centum per annum regularly and continuously on its entire capital stock for a period of not less than five years previous to the deposit of the bonds. The Treasurer of the United States, with the approval of the Secretary of the Treasury, may accept, for the purposes of this Act, securities herein enumerated in such proportions as he may from time to time determine, and he may at any time require the deposit of additional securities, or require any association to change the character of the securities already on deposit.

Sec. 3. That all bonds deposited to secure circulating notes issued in accordance with the terms of this Act shall be transferred to the Treasurer of the United States in trust for the association depositing them, with a memorandum to that effect attached to or written or printed on each bond, and signed by the cashier or some other officer of the association mak-

ing the deposit. A receipt shall be given to the association by the Comptroller of the Currency, or by a clerk appointed by him for that purpose, stating that such bond is held in trust for the association on whose behalf the transfer is made, and as security for the redemption and payment of any circulating notes that have been or may be delivered to such association. No assignment or transfer of any such bond by the Treasurer shall be deemed valid unless countersigned by the Comptroller of the Currency. The provisions of sections fifty-one hundred and sixty-three, fifty-one hundred and sixty-four, fifty-one hundred and sixty-five, fifty-one hundred and sixty-six, and fifty-one hundred and sixty-seven of the Revised Statutes respecting United States bonds deposited to secure circulating notes shall, except as herein modified, be applicable to all bonds deposited under the terms of this Act.

Sec. 4. That section fifty-two hundred and fourteen of the Revised Statutes, as amended, be further amended to read as follows:

"Sec. 5214. National banking associations having on deposit bonds of the United States, bearing interest at the rate of two per centum per annum, including the bonds issued for the construction of the Panama Canal, under the provisions of section eight of 'An Act to provide for the construction of a canal connecting the waters of the Atlantic and Pacific oceans,' approved June twenty-eight, nineteen hundred and two, to secure its circulating notes, shall pay to the Treasurer of the United States, in the months of January and July, a tax of one-fourth of one per centum each half year upon the average amount of such of its notes in circulation as are based upon the deposit of such bonds; and such associations having on deposit bonds bearing interest at a rate higher than two per centum per annum shall pay a tax of one-half per centum each half year upon the average amount of such of its notes in circulation as are based upon the deposit of such bonds. National banking associations having on deposit bonds to secure their circulating notes other than bonds of the United States shall pay a monthly tax of one-half of one per centum upon the average amount of such of their notes in circulation as are based upon the deposit of such bonds. Every national banking association having outstanding circulating notes secured by a deposit of bonds other than bonds of the United States shall make monthly returns, under oath of its president or cashier, to the Treasurer of the United States, in such form as the Treasurer may prescribe, of the average monthly amount of its notes so secured in circulation. The taxes received on circulating notes secured by bonds other than bonds of the United States shall be paid into the Division of Redemption of the Treasury and credited to the reserve fund held for the redemption of United States and other notes."

Sec. 5. That section nine of the Act approved July twelfth, eighteen hundred and eighty-two, as amended by the Act approved March fourth, nineteen hundred and seven, be further amended to read as follows:

"Sec. 9. That any national banking association desiring to withdraw its circulating notes, secured by deposit of United States bonds in the manner provided in section four of the Act approved June twentieth, eighteen hundred and seventy-four, is hereby authorized for that purpose to deposit lawful money with the Treasurer of the United States and, with the consent of the Comptroller of the Currency and the approval of the Secretary of the Treasury, to withdraw a proportionate amount of bonds held as security for its circulating notes in the order of such deposits; and in like manner and effect any such association desiring to withdraw any of its circulating notes, secured by the deposit of bonds other than bonds of the United States, may make such withdrawal at any time by the deposit of lawful money or national bank notes with the Treasurer of the United States, and upon such deposit a proportionate share of the bonds so deposited may be withdrawn: Provided, That the provisions of this section shall not apply to United States bonds called for redemption by the Secretary of the Treasury, nor to withdrawal of circulating notes in consequence thereof."

Sec. 6. That section fifty-one hundred and seventy-two of the Revised Statutes be, and the same is hereby amended to read as follows:

"Sec. 5172. In order to furnish suitable notes for circulation, the Comptroller of the Currency shall, under the direction of the Secretary of the Treasury, cause plates and dies to be engraved, in the best manner to guard against counterfeiting and fraudulent alterations, and shall have printed therefrom, and numbered, such quantity of circulating notes, in blank, of the denominations of five dollars, ten dollars, twenty dollars, fifty dollars, one hundred dollars, five hundred dollars, one thousand dollars, and ten thousand dollars, as may be required to supply the associations entitled to receive the same. Such notes shall state upon their face that they will be redeemed by the United States in lawful money upon presentation at the Treasury. This pledge shall be certified by the written or engraved signatures of the Treasurer and Register, and by the imprint of the seal of the Treasury. They shall also express upon their face the promise of the association receiving the same to pay on demand, attested by the signature of the president or vice-president and cashier. Upon request of any national banking association the Comptroller of the Currency, under the direction of the Secretary of the Treasury, shall cause to be prepared circulating notes in blank, registered and countersigned, as provided by law, to an amount equal to fifty per centum of the capital stock of such association; such notes to be deposited in the Treasury or the sub-Treasury of the United States nearest the place of business of the association making the request, and to be held for such association, subject to the order of the Comptroller of the Currency, for their delivery as provided by law."

Sec. 7. That circulating notes of national banking associations, when presented to the Treasury for redemption, as provided in section three of the Act approved June twentieth, eighteen hundred and seventy-four, shall be redeemed in lawful money of the United States.

Sec. 8. That national banking associations located outside of reserve or central reserve cities, which are now required by law to keep a reserve equal to fifteen per centum of their deposit liabilities, shall hereafter hold at all times at least two-thirds of such reserve in lawful money. The provisions of section fifty-one hundred and ninety-one of the Revised Statutes, with reference to the reserves of national banking associations, shall not apply to deposits of public moneys by the United States in designated depositaries.

The Fowler Bill.

The Fowler Bill provides for the issue of a credit currency, the gradual retirement of the bond-secured currency, conversion of the greenbacks into gold

certificates, and the use of business methods in the deposit and withdrawal of public funds placed with the banks. It also provides for insuring deposits, and permits national banks to do a savings bank and trust company business.

A bill to establish a simple and scientific monetary system, founded upon gold, guaranteed bank notes, and silver, with uniform banking and bank reserves in gold coin or its equivalent; to guarantee all deposits and note issues; and to fix certain rules and regulations whereby the financial operations of the Government shall cease to be a disturbing factor in our trade and commerce.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that, upon the passage of this act, the Comptroller of the Currency shall immediately proceed to designate such cities in the United States, including the District of Columbia, Arizona and New Mexico, for the location of bank note redemption agencies, numbering them consecutively, as will practically bring every national banking association within twenty-four hours of some one of such agencies: Provided, however, that the twenty-four-hour rule shall only apply where the railroad facilities are good and that the number of such agencies shall not exceed the requirement of bringing all national banks practically within twenty-four hours of some one of such agencies.

Sec. 2. That within thirty days after the designation of the cities for the location of the bank note redemption agencies, every national bank, with the approval of the Comptroller of the Currency, shall select one of the cities so designated as the place for its bank note redemption agency, and thereupon the Comptroller of the Currency shall notify all the national banks to meet at their respective bank note redemption agency cities on a given day, and at a designated place, for the purpose of organizing the several bank note redemption agencies. Each bank shall be entitled to only one vote, which shall be cast by an officer of the bank who has been duly authorized by a vote of the board of directors thereof.

Sec. 3. That the association of all the national banks clearing or redeeming their notes at any one of the cities so designated shall be known as "the —— (insert number) Bank Note Redemption District."

Sec. 4. That all the national banks of each of the bank note redemption districts so constituted shall organize themselves into an association to be known as "the —— (insert number) Bank Note Redemption District," by electing a board of managers, consisting of seven members who shall serve, according to the number of votes received, respectively, for seven, six, five, four, three, two and one years, and by adopting a set of by-laws for the proper conduct of their business.

Sec. 5. That every year thereafter on the first Monday in May all the national banks of each of the bank note redemption districts aforesaid shall elect one member to its board of managers to succeed to the vacancy caused by the expiration of the term of the retiring member, and such newly elected member shall serve for a period of seven years. In case a vacancy occurs in said board of managers by death or resignation the board of managers shall fill the same until the next annual election, when some one shall be elected to fill the unexpired term. In the election of all members to the board of managers each bank shall vote as prescribed in section two of this act.

Sec. 6. That the board of managers of each bank note redemption district, so selected, shall appoint one of their number to act as chairman for the ensuing year, who shall thereupon become a deputy comptroller of the currency, and shall give his entire time to the bank note redemption district, and shall receive as compensation therefor $6,000 per annum, payable $500 monthly; and in case of any bank failure in his bank note redemption district the chairman of said board of managers shall act as receiver thereof without any additional compensation therefor.

Sec. 7. That each chairman of a board of managers, subject to the direction of the board, shall succeed to all the authority of the Comptroller of the Currency so far as the supervision of the banks in his particular bank note redemption district is concerned, and all the decisions of the courts affecting the office of the Comptroller of the Currency shall be applicable to the conduct of the chairman of the respective bank note redemption districts. But for the purpose of securing a uniform system of bank reports, all the national banks shall make reports to the Comptroller of the Currency as now provided by law.

Sec. 8. That five members of said board of managers shall constitute a quorum to do business.

Sec. 9. That each board of managers so selected shall have entire and sole charge of the organization and conduct of its bank note redemption agency, and without the suggestion of, or consultation with, the Comptroller of the Currency, shall select and direct such a number of bank examiners as the board may from time to time deem requisite for the proper supervision of the national banks within its redemption district; and thereafter all bank examinations under the direction of the Comptroller of the Currency shall cease, except when in his judgment the public interests demand a special examination, which shall be conducted under his direction.

Sec. 10. That each board of managers of the several bank note redemption districts shall meet at least once every month throughout the year at its respective bank note redemption agency. The day of said monthly meeting shall be the second Thursday in every month, unless the board of managers shall, by vote, select some other day.

Sec. 11. That upon the completion of the organizations of the several bank note redemption districts, as hereinbefore provided, any national bank may retire all of its present bond-secured note circulation by depositing with the United States Treasurer an amount of the present bond-secured notes and of lawful money, which, together, will be equal to its entire circulation now outstanding, and may thereupon take out for issue and circulation an amount of bank notes, which shall be known as "national bank guaranteed credit notes," equal to its paid-up capital without depositing United States bonds to secure the payment thereof as now provided by law: Provided, however, that before any national bank shall have the right to retire its present bond-secured circulation and take out "national bank guaranteed credit notes," as in this section prescribed, it shall first, unless located in its redemption city, make arrangements with a national bank which is located in its redemption city for the redemption of its bank notes in gold coin or its equivalent; and shall deposit in gold coin, or its equivalent, with the Treasurer of the United States an amount of money equal to five per cent. of its average deposits during the preceding calendar six months, and in addition thereto an amount equal to five per cent. of the "national bank guaranteed

credit notes" it proposes to take out for issue and circulation.

Sec. 12. That any national bank desiring to take out for issue and circulation an amount of "national bank guaranteed credit notes" in excess of its paid-up capital may do so, provided the board of managers of the bank note redemption agency to which it belongs first gives its approval thereto.

Sec. 13. That the "national bank guaranteed credit notes" referred to in the two preceding sections shall be printed upon paper with green background or effect, and shall bear these words: "National bank guaranteed credit note. Will be redeemed upon demand over its own counter by the ——— National Bank in gold coin, or its equivalent. The payment of this note is guaranteed by a fund deposited with the Treasurer of the United States," and such other words as the Comptroller of the Currency may approve.

Sec. 14. That thereafter every national bank shall deposit upon the tenth days of January and July each year, with the Treasurer of the United States, an amount of gold coin, or its equivalent, equal to five per cent. of its average deposits during the preceding calendar six months and five per cent. of its "national bank guaranteed credit notes" taken out for issue and circulation.

Sec. 15. That as soon as the amount of money deposited by the national banks with the Treasurer of the United States as aforesaid shall reach the sum of $25,000,000, all the bonds now deposited by national banks to secure Government deposits shall be returned to the respective banks to which they belong, and from and after that date any national bank holding a Government deposit shall pay interest thereon to the Treasurer of the United States at the rate of two per cent. per annum, the same being payable as follows: One per cent. on the first days of January and July in each year on the average balance during the preceding six months.

Sec. 16. That any national bank which has taken out "national bank guaranteed credit notes" for issue and circulation, in accordance with section eleven of this act, shall pay to the Treasurer of the United States, on the first days of January and July of each year, one per cent. upon the average amount of notes in actual circulation during the preceding six months.

Sec. 17. That the five per cent. of all deposits so deposited with the United States Treasurer, the five per cent. of all note issues so deposited with the United States Treasurer, the interest paid by the national banks upon United States Government deposits to the Treasurer of the United States, and the two per cent. paid to the Treasurer of the United States upon the "national bank guaranteed credit notes" in circulation shall constitute a common or general guarantee fund for the following uses and purposes, namely:

Sec. 18. That to guarantee the payment of all individual deposits, all bank notes, all bank deposits and all Government deposits without discrimination or preference, and to pay all the expenses incurred in any way in properly conducting and maintaining the several "bank note redemption agencies," including the charges for the transmission of bank notes by any national bank to its "bank note redemption agency," and all expenses of whatsoever kind incurred in the examinations of the banks of the respective "bank note redemption districts," and all the expenses incurred by the members of the respective boards of managers in the performance of their official duties.

Sec. 19. That primarily, and for the time being, eighty per cent. of the said guarantee fund shall be invested in United States Government bonds, bearing two per cent. interest. In purchasing said bonds a first preference shall be given to the bonds now deposited by national banks with the United States to secure the payment of the bank notes now outstanding, the price in all such cases to be the price paid by the respective banks for the particular bonds now held by them. Second preference shall be given to the United States two per cent. bonds, if any were purchased in good faith and are now held as security for the United States Government deposits. No purchases of bonds made by any national bank after January first, 1908, shall be recognized as bona fide.

Sec. 20. That the balance, or remaining one-fifth of the said guarantee fund at least, shall be kept in cash and deposited with the various bank note redemption agencies or national banks located in bank note redemption cities, for the purpose of facilitating and effecting the redemption of national bank notes.

Sec. 21. That said "national bank guaranteed credit notes," issued in accordance with the provisions of this Act, shall be received at par in all parts of the United States in payment of taxes, excises, public lands and all other dues to the United States, including duties on imports, and also for all salaries and other debts and demands owing by the United States to individuals, corporations and associations within the United States, except interest on the public debt and in redemption of the national currency. Said notes shall be received upon deposit and for all purposes of debt and liability by every national banking association at par and without charge of whatsoever kind.

Sec. 22. That any national banking association, situated and doing business in a central reserve city, or a reserve city, shall at all times have on hand in lawful money of the United States an amount equal to at least twenty-five per cent. of its "national guaranteed credit notes" in circulation; and every other national banking association shall at all times have on hand in lawful money of the United States an amount equal to at least fifteen per cent. of its "national bank guaranteed credit notes" in circulation: Provided, however, that any national banking association situated and doing business in a reserve city may keep seven and one-half per cent., or three-tenths, of its reserve in cash deposits in a central reserve city; and that every national banking association, situated and doing business outside of a central reserve city or a reserve city, may keep four per cent., or four-fifteenths, of its lawful money reserve in cash deposits in a central reserve city, or a reserve city.

Sec. 23. That every national bank may count as a part of its required reserve the amount it shall have deposited with the United States Treasurer in accordance with sections eleven and fourteen of this Act, and shall be entitled to receive interest thereon at the rate of one per cent. per annum, payable annually on the first day of July each succeeding year.

Sec. 24. That any national bank desiring to wind up its affairs and go out of business, shall be entitled to receive back its advance made to said guarantee fund, less any deductions made because of bank failures: Provided, however, that all the liabilities of such bank have been paid in full and satisfied, or an amount of lawful money equal thereto has been paid into the United States Treasury for that purpose, and the Comptroller of the Currency approves the repayment of said sum.

Sec. 25. That whenever any bank failure occurs after the first day of January, 1909, one-tenth of the loss resulting therefrom shall be borne by the banks of the bank note redemption district to which the bank failing belongs, pro rata or according to their respective deposits and note issues, the same being deducted from the interest

due such banks upon their deposits in the guarantee fund, and the balance, or nine-tenths of the loss, shall be borne by the general or common guarantee fund.

Sec. 26. That from and after the first day of January, 1909, no national bank shall pay out over its counter any bond-secured bank note, but shall send the same to its bank note redemption agency, and the bank note redemption agency shall forward it to the United States Treasury for redemption, cancellation and destruction.

Sec. 27. That any national bank that shall count any national bank guaranteed credit note or notes as a part of its reserve shall pay into the said guarantee fund a penalty (tax) of ten per cent. per diem on the amount so counted, and any national bank that shall after January first, 1909, count any bond-secured bank note as a part of its reserve shall pay into the said guarantee fund a penalty (tax) of ten per cent. per diem upon the amount so counted.

Sec. 28. That any national bank that has a paid-up capital of at least $100,000 and has a surplus of at least $50,000, and has been in business at least five years, may act as guardian, administrator, executor or trustee, in accordance with the laws of the State or Territory where situated or located, and the reserves required in all such cases shall be determined and fixed by the board of managers of the "bank note redemption district" within which such bank is located. All such accounts shall be kept separate and apart from all other accounts.

Sec. 29. That from and after the passage of this Act any national bank may accept savings bank accounts; but such accounts shall not be subject to check, but be paid out only on book account, and all the records and books shall be kept separate and apart from the commercial accounts of the bank, and the reserves required in all such cases, and the interest to be allowed, shall be determined and fixed by the board of managers of the "bank note redemption district" where such bank is located.

Sec. 30. That all investments made for the benefit of the accounts referred to in the two preceding sections shall be under such rules and regulations as may be prescribed by the board of managers of the respective agencies, subject, however, to any laws that the several States may have passed or may pass limiting, determining and prescribing such investments.

Sec. 31. That from and after the passage of this Act no national bank shall pay on any commercial account a higher rate of interest than two per cent. upon monthly balances. Nor shall time certificates be issued payable upon demand for a shorter period than three months and in no case shall a time certificate or a savings bank account be transferred or converted into a commercial account. Nor shall this be accomplished in any way directly or indirectly, and any bank that violates this section shall pay into the guarantee fund a penalty of ten per cent. upon the amount so transferred or converted.

Sec. 32. That the Comptroller of the Currency and the deputy comptrollers, who are the chairmen of the boards of managers of the respective "bank note redemption districts," shall meet at least every six months at such place as the Comptroller shall designate, and such regular meetings shall be held on the second Tuesday of April and October in each year, unless the Comptroller and the deputy comptrollers by vote select some other day and month.

Sec. 33. That the Comptroller shall always act as chairman of said meetings and, except as herein provided, shall continue to exercise all the authority and powers now exercised by him. The said deputy comptrollers shall report to the Comptroller all violations of law and give him such information from time to time as he may call for.

Sec. 34. That all prosecutions for violations of the law shall be under the direction of the Comptroller of the Currency, and the said deputy comptrollers shall render him such assistance and services as he may require.

Sec. 35. That the Comptroller and the said deputy comptrollers, the chairmen of the several boards of managers of the "bank note redemption districts," shall have the direction and control of the guarantee fund so far as it may be necessary to use it to facilitate and effect the redemption of the national bank notes at the several agencies and shall have power to determine in what securities said guarantee fund shall be invested, if at any time it shall be necessary to purchase other and additional securities than the United States Government two per cent. bonds now outstanding, as herein provided.

Sec. 36. That from and after the date that said guarantee funds shall amount to the sum of $25,000,000 the United States Government shall deposit from day to day all its receipts from whatever source received in such national banks as it may select: Provided, however, that after the first day of January, 1909, it shall not have and keep on deposit in any one national bank an amount of money greater than fifty per cent. of the capital thereof.

Sec. 37. That from and after the date that said guarantee fund shall amount to the sum of $25,000,000 all debts and obligations of whatsoever kind owing to the United States Government, including stamp sales, internal revenues and duties on imports, may be paid by check and draft given by any national bank or by draft accepted, or check certified by any national bank, and all debts or obligations owing by the United States to others shall be paid by check or draft upon some national bank which is a United States depository, or upon the Treasury or one of the sub-Treasuries of the United States, at the option of the Government.

Sec. 38. That if the five per cent. guarantee fund shall not amount to sufficient by January first, 1909, to purchase all the United States Government two per cent. bonds held by the banks, the United States Government shall use so much of its deposits then held by the banks as may be necessary to purchase the balance upon the same terms as prescribed in section 19 of this Act, and the bonds so purchased shall remain in the United States Treasury to be taken up from time to time as the said guarantee fund increases: Provided, however, that not more than $200,000,000 of the money in the Treasury outside of said guarantee fund, and held by the banks, shall be used for such purpose.

Sec. 39. That whenever the accumulations from said guaranty fund, arising from the interest on said bonds, and interest upon any part of said fund deposited with national banks, the interest on Government deposits, and the tax upon the national bank guaranteed credit notes, shall reach $25,000,000, after paying all the expenses, as provided in section eighteen, and meeting any losses due to bank failures, the excess remaining over and above said $25,000,000 on each succeeding first day of January shall be paid in gold coin into the reserve fund of the United States Treasury until the amount of gold coin therein shall be $346,000,000, whereupon all the United States notes outstanding shall be converted into gold certificates, and thereafter no national bank shall hold a United States note as part of its reserves, nor shall the Government of the United States thereafter pay out a United States note, but they shall be canceled and destroyed.

Sec. 40. That all Acts or parts of Acts inconsistent with the provisions of this Act are hereby repealed.

EDITORIAL NOTE.—Both these bills were received so near the date of publication of THE BANKERS MAGAZINE that extended comment upon them is impossible.

The Aldrich Bill is extremely vicious in principle in that it still further involves commercial banking with fixed investments. The true basis of bank notes—and of other bank credits—is commercial paper.

The Aldrich Bill if it becomes a law will work in favor of the large cities where the banks have considerable amounts of stocks and bonds, and against the country banks whose assets consist chiefly of commercial paper.

The Aldrich Bill would be in the interests of bond syndicates, enabling them to market their securities to greater advantage (to themselves).

Furthermore, the tax which Senator Aldrich proposes for his emergency currency is so high as to make the new notes of no use to legitimate commercial operations where six per cent. is the ruling rate, but they would help out Wall Street speculators who often pay much higher rates on call loans.

The Aldrich Bill is further objectionable in placing the regulation of the issue of the emergency currency in the hands of a board of Government officials instead of allowing an automatic regulation by the banks or clearing-houses.

The whole measure would work in favor of Wall Street and against the West and South, where an emergency currency is really needed.

The Fowler Bill is correct in principle, providing for a genuine credit currency. There will, however, be difference of opinion as to some of its details, such as insuring deposits, and extending trust company and savings bank privileges to national banks.

CURIOSITIES OF THE LATE MONEY SQUEEZE.

ONE of the bankers in a central reserve city was asked "Where is all the currency gone?" The answer was: "Well, I think the country banks have got the most of it. I know a country bank with average deposits of $60,000. This bank now has $40,000 in cash and the directors are sleeping in the bank every night guarding it."

A St. Louis bank received in the regular course of business a draft on a firm in Texas for collection from one of its regular customers. In due time the draft was returned with the following notation:

"We shall not present this item. We will not harass our customers at this time."

RAILWAY PUBLICITY.

THE Pennsylvania Railroad Company announces that it will continue the policy inaugurated some time ago of furnishing to the public prompt and accurate information of interest relative to its affairs, and that Mr. Ivy L. Lee, who retires from the firm of Parker and Lee (who have hitherto acted for the company in this capacity), entered the service of the company January 1, 1908, and will have particular charge of this work.

THE WOMAN DEPOSITOR AGAIN.

"ISN'T my check good in this bank?"

"It isn't good, ma'am, until you sign it."

"Oh, bother! Didn't you notice I inclosed my calling card with it?"

"Yes, ma'am. But it is not the same thing."

"Such a nuisance! Then I suppose I can't get my money?"

"You can get it by signing the check."

"How can I? My secretary who does all my signing is away on her vacation!"—*The Business Monthly.*

CLIPPED COINS.

HER CONFIDENCE RESTORED.

SHE was a little old lady, so little and so old that with considerate friends she would never, never have been allowed alone in the hurried throng on the busy streets. She was such an old little lady that she had only just learned that there had been trouble in the banks, and she had made such haste as she could to be sure that her money—all the money she had saved—was safe.

"Have you got my money?" she asked tremulously when she finally reached the teller's window.

"How much did you have?" asked the teller kindly. No one could help being kind to such a little old lady.

"Twenty-five dollars," she answered. "Two tens and a five. I didn't wish to take it out," she continued apologetically, "but I should feel better if you could just let me see it."

So they showed her carefully "two tens and a five." Her faded eyes brightened, and with a grateful "Thank you," she left, every line of her bent little figure showing happy contentment and confidence, for she had seen her money. —*New York Times.*

COMING HIS WAY.

"I SEE that Moneybags has come forward with a half-million to help out in this financial trouble."

"Yes, but if he wished to relieve the trouble any why did he wait so long?"

"Well, you see, he wanted to be sure the tide was coming in before casting his bread on the waters."—*Judge.*

A LEAP YEAR SCHEME.

STELLA—"How did she catch that Wall Street fellow?"

Bella—"Asked him what it meant to squeeze the shorts."—*New York Sun.*

A CURRENT QUESTION.

"HE is worth millions," said one Wall Street man.

"Currency," asked the other, "or clearing-house certificates?" —*Washington Star.*

MR. DOOLEY'S FINANCIAL PROBLEMS.

"TH' on'y raison Congress goes on an' nobody cares is that it niver dales with subjicts that anny wan else iver talks about onless they are in dhrink. Who iver heerd iv two sensible men discussin' th' river an' harbor bill—or wan sensible woman? Did you an' ye'er wife iver set down at night an' debate th' pension system or free rural delivery, great subjicks that ivry day f'r three months will sind Congress to th' flure? No, sir. That's th' raison why we can put up with governmints, because they're always kept busy attindin' to matthers iv no importance. Annything that's important enough to need attindence I'll niver pass over to a collection iv lawyers fr'm th' rural disthricks. Whin ye see me with me face convulsed in passion an' anger gleamin' fr'm me eye, 'tis not about th' railroad situation I'm thinkin', but about me tight shoes. Whin ye see me with me head bowed in thought, it's not wondhrin' about th' threeasury surplus I am, but meditatin' on how I'm goin' to raise th' money f'r th' monthly rent."—*P. F. Dunne, "Mr. Dooley," in American Magazine.*

WILL NOT WALK THE FLOOR.

"I SUPPOSE your financial reverses will keep you walking the floor?"

"Worse than that," answered Mr. Jonah Jones. "It looks as if I wouldn't be able to rent a floor."—*Washington Herald.*

DIFFERENT KINDS OF "SHAKES."

WHEN you have money your friends are all anxious to shake you by the hand, but when it is all gone they will shake you altogether.—*Philadelphia Record.*

THE PRESIDENT BORROWED IT.

WIFE—"Haven't you any change about you?"

Husband—"No, my dear. This morning the president of my bank borrowed my last quarter."—*Life.*

POVERTY AND WEALTH.

HONEST poverty ranks as high with some people as dishonest wealth does with some others.—*Chicago News.*

THE POET'S INEXPERIENCE.

THE man who immortalized the old oaken bucket probably had never gone up against a bucket-shop. —*Cincinnati Times-Star.*

TRUE WORDS OF A STATESMAN.

SENATOR BAILEY has at last uttered a sublime truth. He declares that Congress does not understand the financial question.—*St. Louis Globe-Democrat.*

A MODEL CURRENCY SYSTEM.

KNICKER—"What is your idea of a model currency system?"

Bocker—"One by which the waiter won't be able to bring you change for his tip.—*New York Sun.*

A HOLIDAY PROBLEM.

EUCLID was trying a problem propounded by his wife.

"The cost of my present to her this year is to the cost of her present to me last year as 98 cents is to what?"

Giving it up, he returned to the bank statement for light reading.—*New York Sun.*

REPUBLICAN DEFEAT ASSURED.

IF the Republican bosses insist on passing the Wall Street measure known as the Aldrich Bill, they will put a burden upon the party that will lead to defeat in the coming Presidential campaign.

THE TAIL AND THE DOG.

WALL STREET speculation constitutes but a small fraction of the business of the country. If the Wall Street currency scheme known as the Aldrich Bill becomes a law, it will be a case of the tail wagging the dog.

BOND MARKET ENLARGED.

IF the Aldrich Bill becomes a law, the bond market will be considerably enlarged. Syndicates that subscribe for large blocks of state, municipal and railway bonds can work them off on banks, which can, in turn, use them as security for bank notes. This is a fine scheme for the Wall Street syndicates, but where do the people come in?

THE CURRENCY QUESTION.

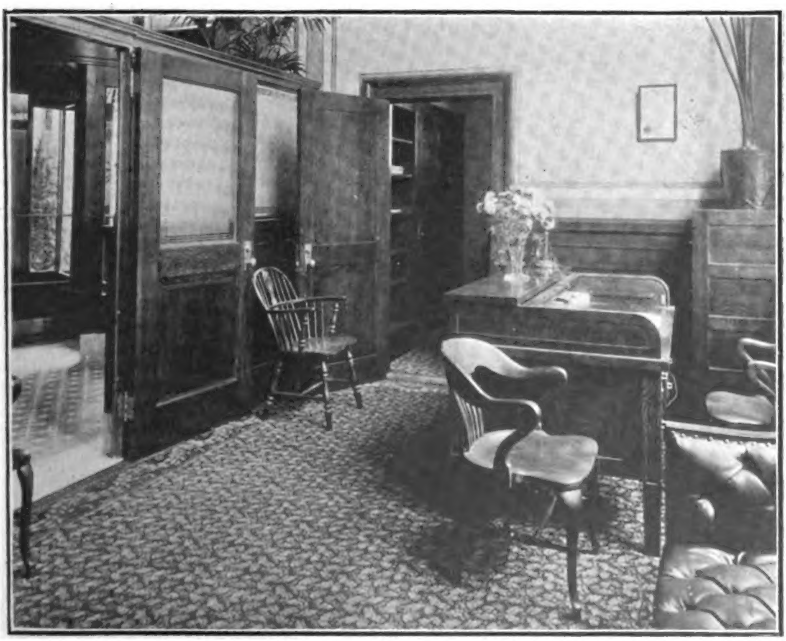
EDUCATION of the public mind on the currency question is the great need of the time.—New York Journal of Commerce and Commercial Bulletin.

If this work had been done by the bankers' associations and other business organizations years ago, the present unsatisfactory currency system would have been improved before now; and the passage of a measure like the Aldrich Bill would not be possible if the people knew what their representatives were doing.

MODERN FINANCIAL INSTITUTIONS AND THEIR EQUIPMENT

NATIONAL CITY BANK, NEW ROCHELLE, N. Y.

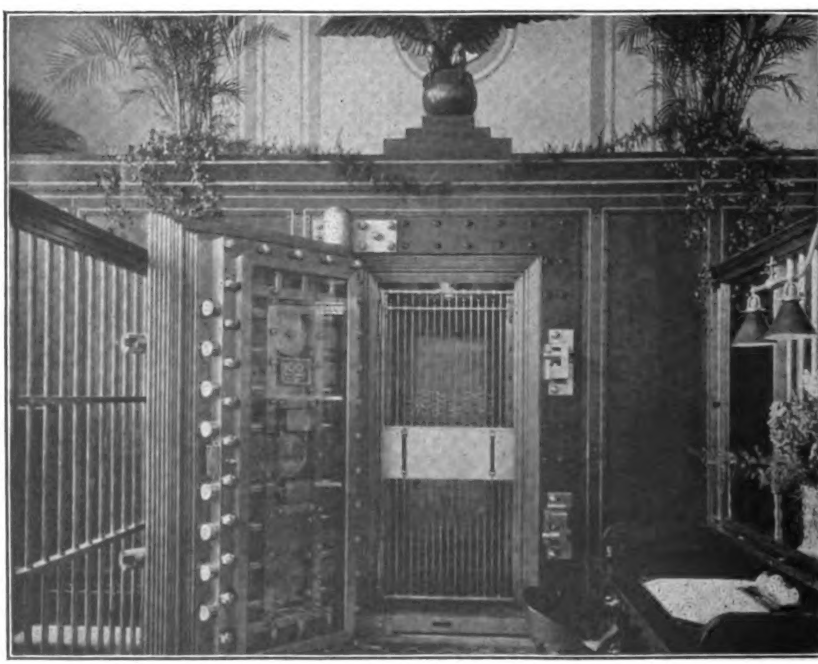
REFERENCE has already been made in these pages to the opening of the new building of the National City Bank of New Rochelle, N. Y., which took place in September last. Some views of the new building are shown herewith which indicate how thoroughly the bank is equipped for carrying on its business.



The Officers' Quarters, National City Bank, New Rochelle, N. Y.

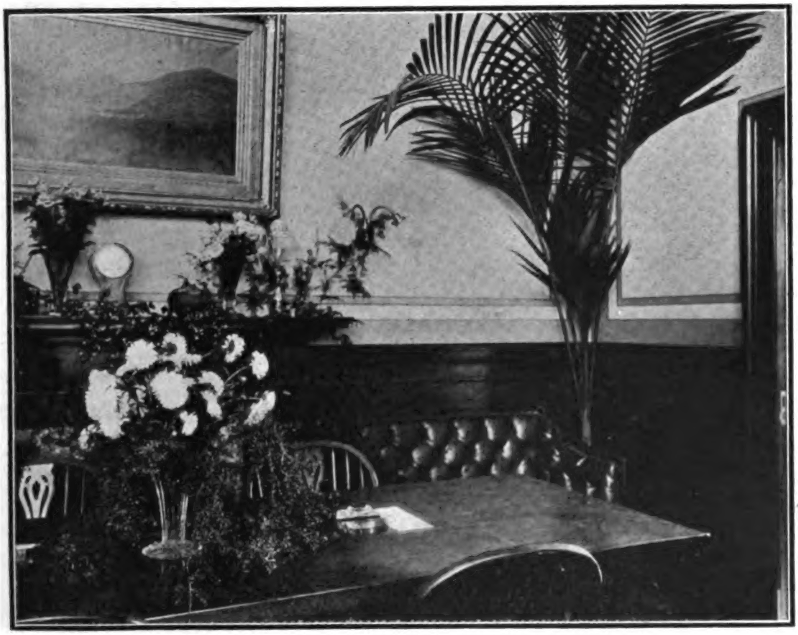
This bank began business as a state institution in 1899, with a capital of $50,000 and surplus of $5,000. The officials were: Col. Herman Henneberger, president; C. F. McClellan (now president of the First National Bank of Mt. Vernon, N. Y.), vice-president, and George F. Flandreaux, cashier. On May 21, 1901, Henry M. Lester, up to that time a manufacturer of hats in New York, became president, and has occupied the office since. Mr. Lester is an old resident of New Rochelle, and his success with the City Bank is shown by the growth of its deposits from $169,483, when he became president, to $1,900,000 at the opening of the new building. The capital has been increased to $200,000 and the surplus has grown to over $100,000.

The New Building.



The Vault.

NATIONAL CITY BANK, NEW ROCHELLE, N. Y.



The Ladies' Room.

The Main Banking Room.

NATIONAL CITY BANK, NEW ROCHELLE, N. Y.

PUBLISHERS ANNOUNCEMENTS

WE ENTER OUR SIXTY-SECOND YEAR.

THE BANKERS MAGAZINE this month enters upon its sixty-second year. We think that in this day of ephemeral literature and short-lived publications, our continued growth and prosperity after a life covering the space of two generations is noteworthy, and we take a little pardonable pride in our lusty old age.

There have been mighty changes in the political, industrial and financial life of the United States and of the world since THE BANKERS MAGAZINE was established in Baltimore in 1846, by I. Smith Homans, who continued to conduct the publication until his death in 1874.

Since 1852 the publication office of THE BANKERS MAGAZINE has been in New York. There have been few changes in ownership during the long history of the magazine. From the first its policy has been conservative, but progressive. For this reason and on account of its strong editorial supervision it has for many years been considered the leading publication of its class in this country.

THE BANKERS MAGAZINE has lived through the period of civil strife which tore the land asunder. It has lived through several financial panics and periods of industrial depression. It has seen many experiments advocated and made in the country's finances, some of them successful, others not so successful. It has witnessed the establishment of the National Banking Law and the subsequent marvelous growth in our banking system, coincident with the great development of the country's resources and its growth in population and international prestige. It has seen great expansion in the nation's trade and commerce, both internal and world-wide. It has entered this Twentieth Century of great opportunity and bright prospects full of vigor and optimism.

To-day THE BANKERS MAGAZINE is renewing its youth. It is sixty-two years *young*, not old. We are not content to rest on our splendid record of past achievements. With the co-operation of our friends, some of whom have been subscribers and readers for more than half the term of our existence, we purpose to keep on growing bigger, stronger and more helpful to the financial community year by year.

MONEY, TRADE AND INVESTMENTS

New York, Jan. 3, 1908.

RECOVERY From the Disasters of October and November, at least in part, is the story to be told of the last month of 1907. The year just ended will long be memorable as a year of desolation and wreckage. That the results of the panic were less drastic than they were is very satisfactory evidence that a genuine substantial prosperity has existed. Speculation has travelled at a swifter pace, but there has nevertheless been a rapid increase in actual and legitimate wealth.

During the past month there was a gradual readjustment of conditions in the direction of normal, but the lost ground is being recovered only slowly. The banks of New York and other cities have continued their policy of holding back currency, resorting to the use of checks payable only through the clearing-house. The currency situation has improved very much, however, and the premium on currency has almost entirely disappeared.

The bank condition in New York has been improving continuously since November 23. On that date the clearing-house banks reported a deficit of $54,103,600. At the close of the year the deficit was down to $20,170,350. For ten consecutive weeks a deficit in the reserve has been reported, a length of time for which there can be found no precedent.

An interesting comparison may be made between the first and second halves of this ten-week period. The weeks from October 19 to November 23 cover the period when the situation was most discouraging, while from November 23 to December 28 affairs were to a greater or less extent improving. In the first table are shown the loans, deposits, reserves and surplus or deficit on the dates mentioned:

	October 19.	November 23.	December 28.
Loans	$1,076,846,300	$1,187,998,400	$1,147,694,400
Deposits	1,025,711,400	1,079,818,800	1,050,925,400
Specie	205,353,300	168,799,100	187,874,300
Legal tenders	62,257,200	47,052,000	54,686,700
Total reserve	267,610,500	215,851,100	242,561,000
Surplus reserve	11,182,650	*54,103,600	*20,170,350

* Deficit.

It is apparent from this exhibit that the recovery in the last five weeks has not been nearly so rapid as was the decline in the first five weeks. It will be observed that loans and deposits increased in the first half of the ten-week period and decreased in the second half, while the cash reserves followed the opposite course. This is more clearly shown in the accompanying comparison.

	Oct. 19 to Nov. 23.		Nov. 23 to Dec. 28.	
Loans	Increase	$111,152,100	Decrease	$40,304,000
Deposits	Increase	54,107,400	Decrease	28,893,400
Specie	Decrease	36,554,200	Increase	19,075,200
Legal tenders	Decrease	15,205,200	Increase	7,634,700
Total reserve	Decrease	51,759,400	Increase	26,709,900
Surplus reserve	Decrease	65,286,250	Increase	33,933,250

Right in the midst of the panic loans were increased $111,000,000 and deposits $54,000,000, but since November 23 they have been reduced $40,000,000 and nearly $29,000,000, respectively. In the first half of the period nearly $52,000,000 in cash reserves was lost, but little more than one-half of which has since been recovered. The surplus reserve of $11,000,000 was changed to a deficit of $54,000,000—a loss of $65,000,000. Since November 23 the deficit has been reduced nearly $34,000,000. In the replenishing of the reserves and surplus therefore the pace has been only about one-half as fast as the previous depletion.

For a long time to come a study of the banking statistics of the country will no doubt attract every careful student of the causes and results of the recent panic. The Comptroller of the Currency, by issuing a call for statements from the national banks for December 3, 1907, has furnished the first as well as the best opportunity for investigating the banking situation throughout the country. The published statements show very clearly that the national banks of the United States materially strengthened their reserves at a time when the currency strain was the severest.

Comparing aggregates, the results do not in every case appear serious. For instance, between August 22, the date of the last previous call, and December 3, the specie holdings of all the national banks fell from $531,107,750 to $509,685,278—a loss of only about $21,000,000. In the same time the legal tenders held were reduced from $170,515,782 to $151,099,458—a loss of $19,000,000. The total loss in cash reserves was less than $41,000,000. That was for all the banks in the United States. But the national banks in New York City alone suffered a decline in their specie and legal-tender holdings of nearly $42,000,000, the total falling from $218,786,132 to $177,093,821. In six cities, including New York, the loss in specie and legal tenders between the dates mentioned exceeded $78,000,000, as shown below:

	August 22.	December 3.	Decrease.
New York	$218,786,132	$177,093,821	$41,692,311
Chicago	66,138,603	54,023,802	12,114,801
St. Louis	26,821,806	21,046,736	5,775,070
Boston	22,076,089	16,984,410	5,091,679
Philadelphia	26,203,204	18,018,682	8,184,522
Pittsburgh	21,510,764	16,339,051	5,171,713
Six cities	$381,536,598	$303,506,502	$78,030,096

That there was an enormous shifting of funds from centres where money is usually most needed to out-of-town banks has been very well known, and the national bank returns simply confirm prior evidence. From the national banks in the three central reserve cities $59,582,182 was withdrawn. The decrease in the forty other reserve cities was $27,704,019, but $18,447,914 of this amount came from the three cities, Boston, Philadelphia and Pittsburgh. The total decrease for the forty-three reserve cities was a little more than $87,000,000 and all but about $9,000,000 was lost in six cities. A number of reserve cities gained in reserves, while in the states outside of the reserve cities increases are almost uniformly shown. The following summary shows the changes in specie and legal tender reserves for all sections of the county:

The drawing down of reserves in the New York banks represented in the clearing-house between the dates most nearly corresponding to those for which the national bank figures are given, August 24 and November 30, amounted to $54,240,100, or $12,000,000 more than the decrease reported by the national banks.

The supply of money is still the prominent issue. Both in quantity and in quality there has never been a time when the currency now in use in this country has been surpassed. Since 1892 the money in circulation has been

	August 22.	December 3.	
Central Reserve Cities	$311,746,541	$252,164,359	Decrease.....$59,582,182
Other Reserve Cities	190,304,237	162,600,218	" 27,704,019
Total Reserve Cities	$502,050,778	$414,764,577	Decrease....$87,286,201
New England States	$20,111,614	$22,066,279	Increase..... $1,954,665
Eastern States	55,947,032	63,095,588	" 7,048,506
Southern States	34,010,145	44,769,772	" 10,759,627
Middle States	54,604,293	66,081,449	" 11,477,156
Western States	21,474,098	31,031,728	" 9,557,630
Pacific States	13,090,928	18,659,526	" 5,568,598
Island Possessions	334,646	315,866	Decrease..... 18,780
Total States	$199,572,756	$246,020,158	Increase.....$46,447,402

increased about $1,600,000,000. In the last two years the increase has been over $540,000,000. The annual increase since 1892 is shown as follows:

In 1907 the estimated amount of gold in circulation was reduced $135,000,000 to correct previous errors of long standing. While the total circulation actually increased $330,000,000 in 1907, the deduction makes the nominal increase only $195,000,000. The total circulation on December 31, 1907, was $3,078,989,298, as compared with $1,610,683,874 on December 31, 1892, an increase of $1,468,000,000 without making allowance for the $135,000,000 deducted from the 1907 estimate.

The changes in the money supply in the last two months have been without precedent. The table at foot of this page shows the circulation, net cash in Treasury and total stock of money monthly since August last.

More than $200,000,000 has been added to the stock of money since October 31. About $80,000,000 was in national bank notes and $115,000,000 in gold. The monthly increase in gold and national bank notes during the last three months of 1907 is shown in table at top of next page.

The two principal sources of gain in our currency for years have been gold and national bank notes. In the last fifteen years $953,000,000 of gold and $516,000,000 of national bank notes have gone into our stock of money. Nearly $320,000,000 gold and $150,000,000 national bank notes were added since 1905. The increase in these two forms of money since 1892 is shown in second table on next page.

December 31.	Money in Circulation.		December 31.	Money in Circulation.	
	Amount	Increase for Year		Amount	Increase for Year
1892	$1,610,683,874	$21,902,145	1900	$2,179,251,879	$192,853,709
1893	1,729,018,266	118,334,392	1901	2,250,627,990	77,376,111
1894	1,626,568,622	*102,449,644	1902	2,348,700,901	98,072,911
1895	1,579,206,724	* 47,361,898	1903	2,466,345,897	117,644,996
1896	1,650,223,400	71,016,676	1904	2,569,621,125	103,275,228
1897	1,721,100,640	70,877,240	1905	2,671,543,571	101,922,446
1898	1,897,301,412	176,200,772	1906	2,883,900,328	212,356,757
1899	1,980,398,170	83,096,758	1907	3,078,989,298	330,088,970

* Decrease.

1907	Money in Circulation	Net Cash in U. S. Treasury	Total Stock of Money in U. S.
August 31	$2,789,201,620	$333,855,053	$3,123,056,673
September 30	2,805,854,374	328,834,075	3,134,688,449
October 31	2,876,368,696	272,408,215	3,148,776,911
November 30	3,008,241,583	260,823,475	3,269,065,058
December 31	3,078,989,298	270,234,082	3,349,223,380

	Gold in Country.	Increase for Month.	National Bank Notes Outstanding.	Increase for Month.
October 31	$1,489,742,845	$6,773,135	$609,960,466	$5,993,352
November 30	1,561,714,719	71,971,874	656,218,196	46,237,730
December 31	1,604,530,493	42,815,774	690,130,895	33,912,699

December 31.	Gold.		National Bank Notes.	
	Amount.	Increase for Year.	Amount.	Increase for Year.
1892	$651,330,762	* $35,515,168	$174,404,424	$1,325,839
1893	666,906,590	15,575,828	208,538,844	34,134,420
1894	625,107,730	* 41,798,860	206,605,710	* 1,933,134
1895	597,927,254	* 27,180,476	213,716,973	7,111,263
1896	692,947,212	95,019,958	235,663,118	21,946,145
1897	745,037,596	52,090,384	229,014,641	* 6,648,477
1898	949,526,013	204,488,417	243,817,870	14,803,229
1899	1,016,009,857	66,483,844	246,277,223	2,459,353
1900	1,108,541,829	92,531,972	340,141,175	93,863,952
1901	1,176,172,153	67,630,324	360,289,726	20,148,551
1902	1,246,876,715	70,704,562	384,929,784	24,640,058
1903	1,314,622,524	67,745,809	425,163,018	40,233,234
1904	1,345,952,535	31,330,011	464,794,156	39,631,138
1905	1,419,943,124	73,990,589	540,914,347	76,120,191
1906	1,587,018,385	167,075,261	596,162,469	55,248,122
1907	1,604,530,493	152,512,108	690,130,895	93,968,426

* Decrease.

As to the general situation there is abundant evidence of curtailment and contraction in business. Improvement is looked for, but few believe that there is to be an immediate return of activity such as made the wheels whirl for so many years. The reduction in production of iron has been extensive. That is only one illustration.

Measured by the volume of transactions recorded, the New York Stock Exchange has been an exceedingly dull place during a large part of the year. Even prior to the panic of October the operations at the Exchange made a much smaller aggregate than in either 1905 or 1906. In the last two months of the year the sales of stocks were only about 22,000,000 shares, as compared with 40,000,000 shares in 1906 and with 58,000,000 shares in 1905. For the full year the sales of stocks fell below 200,000,000 shares and were 88,000,000 less than in 1906 and $68,000,000 less than in 1905, while somewhat larger than in the troubled years of 1903 and 1904. The sales of bonds in 1907 were the smallest in years, being only $525,000,000, as compared with $665,000,000 in 1906 and over $1,000,000,000 in each of the years 1905 and 1904. It is noticeable, however, that the bond transactions have increased considerably since the panic, and in the last two months of the year exceeded $131,000,000, as against only $85,000,000 in 1906. The recent recovery in prices of bonds indicates that investors are again entering that investment field. The following table shows the stock and bond sales at the New York Stock Exchange in the last five years with the sales for the last two months of the year stated separately:

Year.	Stocks.		Bonds.	
	November and December Shares.	Year Shares.	November and December.	Year.
1903	26,000,000	161,000,000	$115,000,000	$684,000,000
1904	60,000,000	187,000,000	333,000,000	1,030,000,000
1905	58,000,000	266,000,000	149,000,000	1,033,000,000
1906	40,000,000	286,000,000	85,000,000	665,000,000
1907	22,000,000	198,000,000	131,000,000	525,000,000

As to the decline that has taken place in security values, it is not necessary to speak at length. From the slaughter in prices witnessed in October and November there has been some recovery, but the quotations of stocks at the close of the year make a sorry showing as compared with those of a year ago. There is a tendency towards appreciation, however, among the better classes of securities, particularly the standard lines of bonds.

Some remarkable changes in prices of commodities are shown in a comparison of ruling quotations at the end of 1907 and of the preceding year. Wheat, now selling in New York at $1.06 per bushel, sold at about 80 cents. Corn is about 20 cents per bushel higher than it was a year ago, and is quoted at 72 cents. Flour, which at the close of 1906 sold at $4.35 a barrel, was quoted at the close of 1907 at $5.80 a barrel. Cotton also shows a substantial advance, although not so high as it was at the close of 1905. The price in 1907 was 11.80 cents per pound, in 1906 10.65 cents and in 1905 11.90 cents.

On the other side, there have been some notable declines in values. Copper is selling a fraction above 13 cents per pound. A year ago the price was nearly 24 cents, and at one time in 1907 was up to 25¾ cents. Iron, which sold at $19 a ton in 1905, and at $26 a ton in 1906, was down to $17 a ton on December 31, 1907. Lead and tin also show heavy losses in quotations.

That the pendulum of prices which for a long time had been swinging upward is now moving downward, there is accumulative evidence not confined to this country alone. The record of prices kept by the London "Economist" for a number of years past shows that since last May the prices of commodities have been falling. The index number which at the end of May was 2,601 had fallen to 2,360 at the close of November and undoubtedly was still lower on December 31. The principal variations in the index number since 1902 are shown in the following table.

In six months the decrease in the index number was 241, carrying it down to almost the exact point recorded on June 30, 1906. Compared with December 31, 1902, however, the number is still 357 points above that of five years ago. What decline there has been, however, was in raw materials largely, while the prices of food have remained at high figures.

THE MONEY MARKET.—While the money situation has been gradually improving, the year closes with rates still high and normal conditions far from being restored. The large disbursements of money for interest and dividends in January would ordinarily tend to bring about a high rate of interest late in December, and considering the circumstances the rates at the close of the year were not unreasonably high. Currency was still commanding a premium on the last day of the year, but the premium was so small as to indicate its early extinguishment. At the close of the month call money ruled at 8@18 per cent., with the majority of loans at 14 per cent. Banks and trust companies were not in the market as lenders. Time money on Stock Exchange collateral is quoted nominally at 12 per cent. for thirty days, 10 per cent. for sixty to ninety days, and 7@8 per cent. for longer periods on good mixed collateral. For commercial paper there was little business and the rates nominally are 8@8½ per cent. for sixty to ninety days' endorsed bills receivable, 8@8½ per cent. for first class four to six

LONDON ECONOMIST'S INDEX NUMBER OF PRICES.

	Total Index Number.		*Total Index Number.*		*Total Index Number.*
December 31, 1902	2,003	September 30, 1906	2,355	May 31, 1907	2,601
December 31, 1903	2,197	October 31, 1906	2,458	June 30, 1907	2,594
June 30, 1904	2,130	November 30, 1906	2,501	July 31, 1907	2,571
December 31, 1904	2,136	December 31, 1906	2,499	August 31, 1907	2,519
June 30, 1905	2,163	January 31, 1907	2,494	September 30, 1907	2,457
December 31, 1905	2,342	February 28, 1907	2,521	October 31, 1907	2,414
March 31, 1906	2,306	March 31, 1907	2,516	November 30, 1907	2,360
June 30, 1906	2,362	April 30, 1907	2,549		

Money Rates in New York City.

	Aug. 1.	Sept. 1.	Oct. 1.	Nov. 1.	Dec. 1.	Jan. 1.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Call loans, bankers' balances	2 —3½	2½—4	4 —6	6 —20	5½—12	8 —18
Call loans, banks and trust companies	2½—	2½—	2½—	....	....	....
Brokers' loans on collateral, 30 to 60 days	5 —	5 — ½	5¾—6	6½ 7	....	12 —
Brokers' loans on collateral, 90 days to 4 months	5½— ¾	6 — ½	6 —½	6½—7	12—15	10 —
Brokers' loans on collateral, 5 to 7 months	6 — ¼	6½—7	6 —½	6½— 7	....	7 —8
Commercial paper, endorsed bills receivable, 60 to 90 days	6 —	6½—	7 —	7 —	7 —7½	8 —½
Commercial paper, prime single names, 4 to 6 months	6 — ½	6½—	7 —	7 —	7 —7½	8 —½
Commercial paper, good single names, 4 to 6 months	6½—7	6½—7	7 —	7 —	8 —	9 —

months' single names, and 9 per cent. and higher for good paper having the same length of time to run.

New York Banks.—Since November 30 the clearing-house banks have been contracting their loans, the reduction in four weeks amounting to $50,000,000. Deposits have also declined continuously, the reduction for the month being $32,000,000. The banks gained $17,000,000 specie and $7,000,000 legal tender. The reserve is still $20,000,000 below the 25 per cent. limit, but the deficit was reduced nearly $33,000,000 in four weeks, and promises soon to disappear altogether. One no-

New York City Banks—Condition at Close of Each Week.

Dates.	Loans.	Specie.	Legal tenders.	Deposits.	Surplus Reserve.	Circulation.	Clearings.
Dec. 7	$1,186,395,600	$173,888,700	$48,613,800	$1,074,851,400	*$46,210,350	$65,658,100	$1,434,538,200
" 14	1,175,027,900	177,165,300	49,450,000	1,066,865,900	*40,101,175	68,997,900	1,305,346,800
" 21	1,165,446,800	181,503,100	51,619,400	1,059,494,000	*31,751,000	70,659,600	1,230,967,000
" 28	1,147,694,400	187,874,300	54,686,700	1,050,925,400	*20,170,350	71,736,600	983,676,000

* Deficit.

Deposits and Surplus Reserve on or About the First of Each Month.

Month.	1906.		1907.		1908.	
	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.
January	$977,651,300	$4,292,575	$981,301,100	$5,369,225	$1,050,925,400	*$20,170,350
February	1,061,403,100	11,127,625	1,076,720,000	12,634,100	....	....
March	1,029,545,000	5,008,755	1,038,431,800	3,857,650	....	....
April	1,004,290,500	5,131,270	1,019,817,300	13,131,275	....	....
May	1,028,683,200	10,367,400	1,106,183,300	12,346,775	....	....
June	1,036,751,100	6,816,025	1,128,194,600	12,782,450	....	....
July	1,049,617,000	12,055,750	1,092,031,700	2,509,275	....	....
August	1,060,116,900	18,892,475	1,099,302,400	7,473,200	....	....
September	1,042,057,200	2,869,400	1,046,655,800	8,756,450	....	....
October	1,034,059,000	12,540,350	1,055,193,700	5,646,575	....	....
November	1,015,824,100	3,049,775	1,051,786,900	*38,838,825	....	....
December	998,634,700	1,449,125	1,083,283,300	*52,989,425	....	....

Deposits reached the highest amount, $1,224,206,600, on September 17, 1904; loans, $1,146,163,700 on August 5, 1905, and the surplus reserve $111,623,000 on Feb. 3, 1894. * Deficit.

Non-Member Banks—New York Clearing-House.

Dates.	Loans and Investments.	Deposits.	Specie.	Legal tender and bank notes.	Deposit with Clearing-House agents.	Deposit in other N. Y. banks.	Surplus Reserve.
Sept. 28	$114,006,400	$119,298,300	$5,120,800	$6,541,400	$10,890,600	$4,586,000	* $2,736,275
Oct. 5	114,765,900	120,925,800	5,219,300	6,371,200	12,596,500	4,504,200	* 1,540,250
" 12	114,766,800	121,221,100	5,317,300	6,776,000	12,521,300	4,191,100	* 1,499,575
" 19	110,776,700	115,632,900	4,818,000	6,450,100	11,032,800	4,262,200	* 2,350,125
" 26	96,375,800	96,321,500	4,043,700	5,410,500	9,887,300	2,857,800	* 1,880,575

* Deficit.

Boston Banks.

Dates.	Loans.	Deposits.	Specie.	Legal Tenders.	Circulation.	Clearings.
Nov. 30	$190,718,000	$212,128,000	$14,316,000	$2,847,000	$8,818,000	$79,436,800
Dec. 7	191,900,000	214,675,000	14,898,000	2,984,000	9,215,000	132,893,100
" 14	190,638,000	211,338,000	15,055,000	3,080,000	9,734,000	124,352,700
" 21	189,459,000	209,425,000	16,258,000	3,023,000	10,259,000	122,921,400
" 28	190,056,000	210,022,000	17,187,000	3,268,000	10,587,000	98,53[illegible],200

Philadelphia Banks.

Dates.	Loans.	Deposits.	Lawful Money Reserve.	Circulation.	Clearings.
Nov. 30	$224,247,000	$231,228,000	$44,451,000	$16,149,000	$98,674,700
Dec. 7	224,403,000	230,198,000	44,798,000	16,793,000	133,349,300
" 14	224,776,000	230,514,000	42,995,000	17,587,000	110,402,200
" 21	224,831,000	229,509,000	43,085,000	17,912,000	117,969,400
" 28	225,122,000	231,112,000	43,301,000	18,015,000	95,681,600

ticeable point is the increase of $20,000,000 in bank circulation since November 2. The banks now have nearly $72,000,000 of notes outstanding.

Foreign Banks.—The Bank of England lost $7,000,000 gold in December, the Bank of France $2,000,000, the Bank of Germany $4,000,000, and the Bank of Russia $23,000,000.

Foreign Exchange.—The sterling exchange market was irregular during the month, but declined far below the rates ruling in November.

Money Rates Abroad.—The Bank of England maintained its 7 per cent. rate of discount throughout the month, but lowered it to 6 per cent. on January 2. It is noteworthy that 7 per cent.

Gold and Silver in the European Banks.

	Nov. 1, 1907.		Dec. 1, 1907.		Jan. 1, 1908.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England	£31,729,252	....	£32,244,973	....	£30,745,846	....
France	111,428,770	£37,504,100	108,013,931	£37,283,543	107,637,853	£36,977,204
Germany	31,649,000	8,770,000	28,739,000	7,965,000	27,986,000	7,756,000
Russia	125,469,000	5,235,000	125,265,000	5,112,000	120,504,000	5,376,000
Austria-Hungary	45,441,000	11,729,000	45,689,000	11,607,000	45,759,000	11,675,000
Spain	15,583,000	25,637,000	15,615,000	25,655,000	15,649,000	25,758,000
Italy	38,107,000	4,903,200	38,146,000	4,759,600	38,664,000	4,773,800
Netherlands	6,793,300	5,106,500	7,644,100	4,979,100	7,648,300	4,780,800
Nat. Belgium	3,143,333	1,571,667	3,422,000	1,711,000	3,589,333	1,794,667
Sweden	4,245,000	....	4,071,000	....	3,910,000	....
Totals	£411,588,655	£100,456,467	£408,850,004	£99,072,243	£402,083,332	£98,891,471

Foreign Exchange—Actual Rates on or about the First of Each Month.

	Sept. 1.	Oct. 1.	Nov. 1.	Dec. 1.	Jan. 1.
Sterling Bankers—60 days	4.82½— ¾	4.81¾— ⅞	4.79 — ¼	4.81 — ¼	4.79 — ¼
" " Sight	4.86⅜— ½	4.85⅝— ⅝	4.84½— ¾	4.86¼— ⅜	4.84⅛— ¼
" " Cables	4.86⅞— 87	4.86⅛— ¼	4.86⅛— ⅝	4.87⅞—88	4.85⅜— ½
" Commercial long	4.82⅛— ¼	4.81¾— 2	4.76¾— 7¼	4.79½—80	4.77¾—79¼
" Docu'tary for paym't	4.81½— 2⅞	4.81¼— 2¼	4.77 —79	4.78 —81	4.77½—79¼
Paris—Cable transfers	5.16¼—	5.16⅞—	5.17⅛—16⅞	5.16⅞— ¼	5.18⅛—17½
" Bankers' 60 days	5.20⅜— 20	5.21¼—20⅝	5.23⅛—22¼	5.21⅞— ¼	5.23⅛—22½
" Bankers' sight	5.16⅞—	5.17½—	5.20 —19⅜	5.18⅛—17½	5.19⅜—18¾
Swiss—Bankers' sight	5.17½—16⅞	5.17½—	5.21¼—20⅝	5.19⅜ 18¾	5.20⅝—20
Berlin—Bankers' 60 days	94 3/16— 5/16	94⅛— ¼	93¼— ¾	93⅝— ¾	93⅜— ¾
" Bankers' sight	94⅞— 15/16	94⅞—	94¼— ½	94⅝— ¾	94½— ⅝
Amsterdam—Bankers' sight	40 3/16— ¼	40 3/16— ¼	40 1/16— ⅜	40 1/16— ⅛	39 15/16—40
Kronors—Bankers' sight	26¾— ⅞	26 11/16— 13/16	26½— ⅝	26½— ⅝	26½— ⅝
Italian lire—sight	5.15⅝—	5.15⅝—	5.16⅞— ¼	5.18⅛—17½	5.18¾—20⅛

Rates for Sterling at Close of Each Week.

Week ended.	Bankers' Sterling. 60 days.	Bankers' Sterling. Sight.	Cable transfers.	Prime commercial, Long.	Documentory Sterling. 60 days.
Nov. 30	4.8100 @ 4.8125	4.8630 @ 4.8640	4.8790 @ 4.8800	4.79 1/8 @ 4.80	4.78 @ 4.81
Dec. 7	4.8075 @ 4.8100	4.8610 @ 4.8620	4.8700 @ 4.8725	4.79 3/4 @ 4.80 1/4	4.79 @ 4.81
" 14	4.7970 @ 4.7980	4.8535 @ 4.8540	4.8670 @ 4.8680	4.79 @ 4.79 1/4	4.78 @ 4.80 1/8
" 21	4.8010 @ 4.8015	4.8600 @ 4.8610	4.8830 @ 4.8835	4.80 1/4 @ 4.80 1/2	4.78 3/4 @ 4.81 1/4
" 28	4.7950 @ 4.7975	4.8440 @ 4.8460	4.8700 @ 4.8710	4.78 1/2 @ 4.78 5/8	4.77 1/4 @ 4.79 1/8

is the highest rate named by the bank in twenty-four years, and that this rate was maintained for eight weeks, the longest continuous period for that rate in forty-one years. The money situation abroad has generally improved. Discounts of sixty to ninety-day bills in London at the close of the month were 5 3/4@5 7/8 per cent., against 6 1/4@6 1/2 per cent. a month ago. The open market rate at Paris was 4@4 1/4 per cent., against 4 1/2 per cent. a month ago, and at Berlin and Frankfort 6 7/8 per cent., against 7@7 1/4 per cent. a month ago.

Silver.—The price of silver in London fell in December to the lowest point recorded since 1903. It declined from 26 11-16d. to 24 3-16d., closing at 24 7/8d., a net loss of 1 3/4d. for the month.

National Bank Circulation.—The increase in bank circulation of $46,000,000 in November was followed by an increase of $34,000,000 in December, making a total of $80,000,000 in two months. The banks have increased their deposits of bonds of every class to secure circulation, the largest increase being $13,000,000 in Panama

Bank of England Statement and London Markets.

	Sept. 30, 1907.	Oct. 31, 1907.	Nov. 30, 1907.	Dec. 31, 1907.
Circulation	£29,920,000	£29,346,000	£27,969,000	£29,520,000
Public deposits	8,620,000	7,286,000	7,713,000	7,552,000
Other deposits	43,783,000	44,853,000	43,009,000	52,657,000
Government securities	14,336,000	14,336,000	14,332,000	15,832,000
Other securities	30,820,000	34,841,000	32,704,000	40,802,000
Reserve of notes and coin	25,637,000	20,834,000	21,785,000	21,473,000
Coin and bullion	37,106,838	31,727,252	32,244,973	32,543,665
Reserve to liabilities	48.86%	39.91%	42.83%	35.62%
Bank rate of discount	4 1/2%	5 1/2%	7%	7%
Price of Consols (2 1/2 per cents.)	82 3/16	82 3/16	82 5/8	83 7/8
Price of silver per ounce	31 3/16d.	27 9/16	26 5/8d.	24 7/8d.

Monthly Range of Silver in London—1905, 1906, 1907.

Month.	1905. High	1905. Low.	1906. High	1906. Low.	1907. High	1907. Low.
January	28 3/8	27 9/16	30 1/4	29 11/16	32 7/16	31 1/4
February	28 5/16	27 5/8	30 15/16	30 1/8	32 1/8	31 1/2
March	27 15/16	25 15/16	30 7/16	29	32 1/16	30 5/8
April	26 5/8	25 7/16	30 9/16	29 5/8	30 1/2	30
May	27 5/16	26 1/8	31 3/8	30 9/16	31 1/8	29 15/16
June	27 1/8	26 3/4	31 1/16	29 5/8	31 1/16	30 5/8
July	27 5/16	26 7/8	30 7/16	29 13/16	31 15/16	31
August	28 3/4	27 1/8	30 15/16	29 7/8	32 3/16	31 1/8
September	28 3/4	28	31 1/2	30 13/16	31 9/16	31 1/8
October	28 15/16	28 3/8	32 9/16	31 11/16	30 7/8	27 7/16
November	30 5/16	28 15/16	33 1/8	32	27 15/16	26 9/16
December	30 5/16	29 5/8	32 5/16	31 9/16	26 11/16	24 3/16

Foreign and Domestic Coin and Bullion—Quotations in New York.

	Bid.	Asked.		Bid.	Asked.
Sovereigns	$4.86	$4.90	Mexican doubloons	$15.50	$15.65
Bank of England notes	4.85	4.90	Mexican 20 pesos	19.50	19.65
Twenty francs	3.87	3.92	Ten guilders	3.95	4.00
Twenty marks	4.73	4.76	Mexican dollars	.43	.51
Twenty-five pesetas	4.78	4.82	Peruvian soles	.37	.43
Spanish doubloons	15.50	15.65	Chilian pesos	.37	.43

Bar silver in London on the first of this month was quoted at 24 7/8d. per ounce. New York market for large commercial silver bars, 53 1/8 @ 55 1/8c. Fine silver (Government assay), 53 5/8 @ 55 1/8c. The official price was 53 1/8c.

Canal bonds. The securities deposited to secure public deposits were increased $26,000,000 and now amount to $296,000,000, of which nearly $216,000,000 are miscellaneous bonds.

Government Revenues and Disbursements.—The expenditures of the Government in December were $8,535,000 in excess of the receipts, making a deficit of $9,303,000 for the first six months of the current fiscal year as compared with a surplus of $25,000,000 in 1906. For the six months the receipts are $11,000,000 less than in 1906, while the expenditures increased $23,000,000.

United States Public Debt.—The interest-bearing debt was increased in December by the issue of $14,000,000 Panama Canal bonds and $4,500,000 certificates of indebtedness. Practically all these issues have gone to the national banks and are being used to secure circulation or public deposits. The cash balance in the Treasury was increased $19,000,000 and now amounts to $419,519,000. The debt less cash in the Treasury is $884,000,000, an increase of nearly $10,000,000 for the month.

Foreign Trade.—A new record was made in exports in November, the month's total exceeding $204,000,000. This is the first time the exports in a single month reached $200,000,000, although in December, 1905, the total was $199,738,520. Compared with November, 1906, there was an increase of about $22,000,000. Imports for the month were nearly $111,000,000, a decrease of $9,000,000. The excess of exports over imports was $93,655,000, or nearly $31,000,000 more than in November, 1906. The exports for the eleven months of the calendar year amounted to $1,716,000,000, the largest ever recorded. The imports were $1,330,000,000, also a record figure. The net exports are $385,000,000, or $36,000,000 less than in 1906. During the month of November nearly $63,000,000 of gold was received from abroad, making the net imports for the eleven months $44,600,000.

National Bank Circulation.

	Sept. 30, 1907.	*Oct. 31, 1907.*	*Nov. 30, 1907.*	*Dec. 31, 1907.*
Total amount outstanding	$603,987,114	$609,980,466	$656,218,196	$690,130,895
Circulation based on U. S. bonds	553,101,329	562,727,614	610,156,008	643,459,899
Circulation secured by lawful money	47,885,785	47,252,852	46,062,188	46,670,996
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	500	....	....	....
Four per cents. of 1925	8,517,900	10,732,900	16,995,650	18,181,600
Three per cents. of 1908-1918	5,544,880	6,473,080	11,347,480	12,211,680
Two per cents. of 1930	528,752,100	532,543,550	560,574,800	568,926,410
Panama Canal 2 per cents	16,809,380	17,245,380	19,567,880	32,518,810
Certificates of Indebtedness 3 per cent	....	....	9,908,500	14,944,500
Total	$559,624,760	$566,994,910	$618,394,310	$646,783,000

The National Banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1925, $4,998,500; 3 per cents. of 1908-1918, $5,065,000; 2 per cents. of 1930, $36,209,950; Panama Canal 2 per cents. $20,519,300; District of Columbia 3.65's, 1924, $1,324,000; Hawaiian Islands bonds, $2,027,000; Philippine loan, $8,938,000; state, city and railroad bonds, $215,984,667; Porto Rico, $780,000; certificates of indebtedness 3 per cent., $1,492,000; a total of $296,338,417.

United States Treasury Receipts and Expenditures.

Receipts.

Source.	*December, 1907.*	*Since July 1, 1907.*
Customs	$21,744,673	$155,969,387
Internal revenue	20,815,224	132,400,761
Miscellaneous	4,723,931	29,042,481
Total	$47,283,828	$317,412,629
Excess of receipts	*$8,535,045	*$9,303,304

*Excess of expenditures.

Expenditures.

Source.	*December, 1907.*	*Since July 1, 1907*
Civil and mis.	$12,204,746	$70,706,541
War	8,413,414	55,488,164
Navy	11,550,797	58,634,208
Indians	1,365,948	7,790,960
Pensions	13,183,546	75,410,090
Public works	8,898,903	48,033,450
Interest	201,519	10,652,520
Total	$55,818,873	$326,715,933

United States Public Debt.

	Oct. 1, 1907.	Nov. 1, 1907.	Dec. 1, 1907.	Jan. 1, 1908.
Interest-bearing debt:				
Consols of 1930, 2 per cent	$646,250,150	$646,250,150	$646,250,150	$645,250,150
Loan of 1925, 4 per cent	118,489,900	118,489,900	118,489,900	118,489,900
Loan of 1908-1918, 3 per cent	63,945,460	63,945,460	63,945,460	63,945,460
Panama Canal Loan of 1916, 2 per cent	30,000,000	30,000,000	30,000,000	54,088,040
Certificates of Indebtedness 1908	....	....	10,917,500	15,436,500
Total interest-bearing debt	$858,685,510	$858,685,510	$869,603,010	$898,210,050
Debt on which interest has ceased	8,272,545	6,930,955	6,228,015	5,580,385
Debt bearing no interest:				
Legal tender and old demand notes	346,734,298	346,734,298	346,734,298	346,734,298
National bank note redemption acct	46,993,774	47,239,336	45,601,979	46,162,653
Fractional currency	6,863,994	6,863,549	6,863,549	6,863,434
Total non-interest bearing debt	$400,592,066	$400,837,184	$399,199,827	$399,760,386
Total interest and non-interest debt	1,267,550,122	1,266,453,649	1,275,030,852	1,303,550,821
Certificates and notes offset by cash in the Treasury:				
Gold certificates	720,889,869	748,637,869	747,218,869	767,005,869
Silver certificates	473,723,000	471,527,000	471,667,000	471,416,000
Treasury notes of 1890	5,707,000	5,613,000	5,546,000	5,479,000
Total certificates and notes	$1,200,319,869	$1,225,777,869	$1,224,451,869	$1,243,900,869
Aggregate debt	2,467,869,991	2,492,231,518	2,499,482,721	2,547,451,690
Cash in the Treasury:				
Total cash assets	1,709,871,167	1,728,283,122	1,730,059,038	1,779,680,663
Demand liabilities	1,320,319,853	1,341,056,103	1,329,508,024	1,360,160,672
Balance	$389,551,314	$387,227,019	$400,551,013	$419,519,990
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	239,551,314	237,227,019	250,551,013	269,519,990
Total	$389,551,314	$387,227,019	$400,551,013	$419,519,990
Total debt, less cash in the Treasury	877,998,808	879,226,630	874,479,839	884,030,831

Exports and Imports of the United States.

Month of November.	Merchandise.				Gold Balance.		Silver Balance.	
	Exports.	Imports.	Balance.					
1902	$125,200,618	$85,386,170	Exp.,	$39,814,448	Imp.,	$5,261,412	Exp.,	$1,563,905
1903	160,268,538	77,006,310	"	83,262,228	"	10,377,540	"	3,511,336
1904	158,068,657	95,170,172	"	62,898,485	Exp.,	16,086,338	"	965,824
1905	170,327,921	98,284,314	"	72,043,607	Imp.,	4,065,472	"	1,054,981
1906	182,655,685	119,756,343	"	62,899,342	"	6,971,517	"	1,209,849
1907	204,444,860	110,789,109	"	93,655,751	"	62,847,867	"	837,302
Eleven Months.								
1902	1,212,693,530	874,959,883	Exp.,	337,733,647	Imp.,	8,829,202	Exp.,	20,024,430
1903	1,309,933,517	917,725,693	"	392,207,824	"	5,155,220	"	12,198,839
1904	1,306,065,481	939,342,431	"	366,723,050	Exp.,	26,241,950	"	22,186,497
1905	1,427,252,275	1,078,001,751	"	349,250,524	Imp.,	2,138,589	"	18,070,564
1906	1,607,843,457	1,186,151,812	"	421,691,645	"	103,133,880	"	13,323,614
1907	1,716,289,641	1,330,884,102	"	385,405,539	"	44,626,482	"	15,774,173

Money in Circulation in the United States.—There was a further increase in the amount of money in circulation last month to the extent of $70,000,000. In the last four months the increase was $290,000,000.

Money in Circulation in the United States.

	Oct. 1, 1907.	Nov. 1, 1907.	Dec. 1, 1907.	Jan. 1, 1908.
Gold coin	$561,956,589	$574,459,186	$640,577,952	$648,573,173
Silver dollars	84,758,166	88,822,959	90,979,549	91,312,428
Subsidiary silver	124,986,237	127,461,229	132,979,612	134,980,859
Gold certificates	640,204,609	677,295,909	675,636,209	706,612,349
Silver certificates	460,847,251	464,349,568	468,953,120	467,731,347
Treasury notes, Act July 14, 1890	5,700,348	5,601,926	5,537,667	5,469,056
United States notes	343,125,625	343,254,153	344,682,957	345,275,422
National bank notes	584,275,549	595,123,866	648,895,117	679,034,664
Total	$2,805,854,374	$2,876,368,696	$3,008,241,583	$3,078,989,298
Population of United States	86,429,000	86,547,000	86,666,000	86,784,000
Circulation per capita	$32.46	$33.23	$34.71	$35.48

BANKING AND FINANCIAL NOTES

NEW YORK CITY.

—On December 3 the Merchants' National Bank reported $24,279,902 deposits—a gain of $5,000,000 during the late bank panic. This bank has $2,000,000 capital and $1,672,788 surplus and profits. While it has ample funds to meet the wants of its larger dealers, it is not too big to care for the requirements of the average depositor.

The Merchants' National Bank is one of the very few of the century banks in the United States, having been founded as a state institution in 1803. Its officers are: President, Robert M. Gallaway; vice-presidents, Elbert A. Brinckerhoff and Zoheth S. Freeman; cashier, Joseph Byrne; assistant cashiers, Albert S. Cox and Owen E. Paynter.

—While the recent probing of some of Brooklyn's banking institutions was being carried on, the Kings County Grand Jury made the following presentment in the county court:

"We therefore take opportunity to criticise the inattentive manner in which such directors have customarily discharged their duties, and we recommend that the banking laws of the state be revised and amended so that they will, in greater detail and as specifically as may be, define the duties and obligations of directors, both as regards the stockholder and the depositor in all banks and trust companies; and it also appears to us that, these obligations and duties having been clearly fixed by statute, it should be made a penal offence for any director or directors wilfully to disregard the same."

—The annual dinner of Group 8 of the New York State Bankers' Association will be held at the Waldorf-Astoria on Monday evening, January 27, at 7 o'clock.

—Kidder, Peabody & Co., of Boston, have opened a New York office at 56 Wall Street, succeeding Baring & Co., as the New York agents for Baring Bros. & Co., Ltd., of London.

—The regular semi-annual dividend of ten per cent. has been declared by directors of the Plaza Bank.

—Edwin B. Post has been advanced from the position of auditor to that of assistant secretary of the Columbia Trust Company.

—The Queens County Savings Bank, in Flushing, has declared a dividend of four per cent. on all deposits, and will also add a balance of $10,296 to its surplus fund.

—Hon. Leslie M. Shaw, former Secretary of the Treasury, who is now president of the Carnegie Trust Company, has been approached by friends from Kansas City with the suggestion that he assume the presidency of the Kansas City National Bank of Commerce, now being reorganized.

—The new home of the Second National Bank at Fifth Avenue and Twenty-eighth Street will be ready for occupancy next June. The new structure will have a frontage of thirty-eight feet on Fifth Avenue and one hundred feet on Twenty-eighth Street, and will be modern and up-to-date in every particular.

—The National City Bank of Brooklyn has been designated as a depository of public moneys, in addition to the Nassau National Bank. It will receive money not only from

the First Revenue District, which comprises all Long Island and Staten Island, but from all parts of the country.

—Directors of the Aetna National Bank have declared the initial quarterly dividend of two per cent. The bank, which was organized in 1904, has a capital of $200,000 and a surplus of $300,000.

—On December 16 Henry Dimse, who recently resigned as president of the Northern Bank, assumed his duties as vice-president of the Century Bank.

Mr. Dimse has had a successful career as a banker, and has risen rapidly from the bottom. Before his connection with the Northern Bank, he served as cashier of the Citizens' Central National Bank and took a prominent part in the management of its affairs.

—The Beaver National Bank, at Beaver and Pearl Streets, will go out of business this month. The bank is able to pay all depositors, but found that it could not compete with the larger banks.

—The proposed plan for reopening the Hamilton Bank, which closed October 24, has been accepted by ninety-five per cent. of the depositors and indications point to a speedy resumption of business.

—Plans have been filed with Building Superintendent Murphy for remodelling the basement and first and second stories with mezzanine floor of the nine-story building of the Lincoln National Bank, at 32 and 42 East Forty-second street. The improvements are designed to better the lighting and ventilation of these floors, enlarging the banking space and increasing the coupon and silver storage departments.

—The question of an increase in capital from $500,000 to $1,000,000 will be discussed at the annual meeting of the Lincoln National Bank this month.

—Clarence Goadby has been elected president of the American Savings Bank, to fill the vacancy caused by the death of Edward V. Loew, former comptroller of the city.

—Directors of the Liberty National Bank recently declared the regular quarterly dividend of five per cent., and an extra dividend of five per cent., making a total distribution for the year of twenty-five per cent. This the bank was able to do because of the large increase of its business in the last few months.

—Hermann Sielcken, of the firm of Crossman and Sielcken, has been elected a director of the International Banking Corporation.

—At the annual meeting of the stockholders of the New Amsterdam National Bank, to be held January 14, it will be proposed to reduce the number of directors from twelve to ten.

—Three hundred members of the American Institute of Banking, New York Chapter, were present at the seventh annual dinner, which was held at the Hotel Astor, December 14. Colonel Fred E. Farnsworth, secretary of the American Bankers' Association, and chancellor James R. Day were the principal speakers of the evening, both making appropriate addresses.

—Regarding the reports to the effect that the Mercantile National Bank will consolidate with other interests, a director of the bank recently said:

"The directors of the Mercantile National Bank wish to say that this bank at the present time is in a strong financial position. Its affairs are being administered in the interest of its depositors and stockholders, and while numerous propositions have been made by other institutions looking to a consolidation with the Mercantile National Bank, it is the intention of the management under the guidance of the directors of the bank to continue its business for the best interests of all concerned."

—A meeting of stockholders of the Second National Bank has been called for January 14, to ratify the proposed increase of capital from $500,000 to $1,000,000.

NEW ENGLAND STATES.

—C. L. Billman recently succeeded Geo. M. Barnum, Jr., resigned, as treasurer of the Beacon Trust Co. of Boston, and Benjamin Dobson becomes assistant treasurer of the company.

—James H. Howes has succeeded C. E. Knowlton as president of the Waldo Trust Co., Belfast, Maine. W. A. Mason was elected vice-president.

—Boston now has a day and night bank. The old Boston Banking Company has opened its new quarters in Washington street and announces that it will be open for business at all hours of the day and night, except Sundays and holidays. Depositors can transact business at any time.

—The remodeled Home National Bank building of Meriden, Conn., has been completed and the bank is now conducting its business in the new quarters. The furnishings of the interior have been tastefully selected and harmonize well with the novel arrangement of the offices and public rooms.

—Plans have been filed for the erection of a new building to be occupied by the People's Savings Bank of Brockton, Mass. The work will be pushed as rapidly as the weather will permit.

—F. G. Vibberts succeeds H. B. Boardman, resigned, as secretary of the New Britain (Conn.) Trust Company.

EASTERN STATES.

—Group 6 of the New York State Bankers' Association, which includes the bankers in the counties north of New York and as far up the state as Kingston, held its annual convention at the Hotel Manhattan on December 10. The principal business was the election of officers, which resulted as follows: President, S. Wood Cornell of Pleasantville; secretary and treasurer, John D. Judson, Rhinebeck.

After the dinner Charles Eliot Warren, president of the New York State Bankers' Association, delivered an address in which he indorsed the proposal to establish a central bank, although admitting that it had not yet gained sufficient support to be considered practical. As an alternative he declared for the Hepburn plans of currency reform.

About twenty members of Group 6 attended the meeting. Resolutions were passed expressing the thanks of the bankers to J. P. Morgan, James Stillman, and Secretary Cortelyou for their services in the recent financial crisis.

—According to its official statement on December 3 the Second National Bank of Washington, D. C., had $500,000 capital, $240,000 surplus and profits, $1,716,000 deposits, and $3,296,000 total resources. Cash and due from banks amounted to almost $500,000. W. V. Cox is president; Walter C. Clephane, vice-president; John C. Eckloff, cashier, and Jacob Scharf, assistant cashier.

—The plans for the Jenkintown (Pa.) National Bank building are in the contractors' hands and work on the structure will begin at once.

—The Belmont Trust Company, with $125,000 capital, has been incorporated in Philadelphia and will begin business in that city this month.

—The North Shore Bank, a new institution of Oyster Bay, N. Y., has opened with Jesse Rhodes as president.
The banking rooms are fitted up with up-to-date fixtures and a fireproof safety vault is in the course of erection.

—Calvin K. Whitner has been elected president of the Farmers' National Bank of Reading, Pa., to succeed Isaac Eckert, who resigned because of ill health.

—The new building being erected for the Union National Bank of Wilmington, Del., is nearing completion.

—In the near future the First National Bank of Hazelton, Pa., will erect a handsome one-story building modeled from old Grecian temples, with four massive columns fronting on Broad street.

—On Christmas eve an informal luncheon was tendered Robert B. Armstrong, president of the Philadelphia Casualty Company, at "L'Aiglon," Philadelphia, by the department managers of that company. From this informal gathering emanated what in the future will be known as the "Surprise Club" of the Philadelphia Casualty Company, suggested by President Armstrong and indorsed by those present.

—A handsome modern building has been completed and is now occupied by the Poughkeepsie (N. Y.) Trust Company. The rooms are richly furnished throughout.

—The Bank of Fredonia, New York, with a capital of $50,000, has become the National Bank of Fredonia.

—Group IV of the New York State Bankers Association, held its annual banquet in Rome, N. Y., December 21. Fred M. Shelley, cashier of the First National, and G. G. Clarabut, cashier of the Farmers' National, were present to receive the guests.

SOUTHERN STATES.

—The Clark Banking Company and the Bank of Newton County, of Covington, Ga., will be consolidated in the near future. Both represent important interests, and the combined institution would be unusually strong.

—The Guarantee Trust and Banking Company, capitalized at half a million dollars, has opened its doors in Atlanta, to do a general banking business. The stock, already oversubscribed, is held by over five hundred people throughout the South.

—At a recent meeting of the stockholders of the Decatur County Bank of Bainbridge, Ga., the capital stock was increased to $100,000, and P. H. Cumings, of Lelia, Ga., and W. E. Smith, of Attapulgus, Ga., were added to the list of directors. This gives Bainbridge three banks with $100,000 capital each.

—A new brick building, costing $8,000, has been completed and turned over to the First National Bank of Eunice, La.

—At noon on December 14 the cornerstone of the new Citizens-Southern Bank of Savannah was laid. The ceremony was a very simple one and was performed by President Mills B. Lane in the presence of the bank's other officers.

—C. G. Robinson, formerly assistant cashier of the Inter-State Trust and Banking Co. of New Orleans, has assumed his duties as cashier of the First National of Hattiesburg, Miss.

TRAVIS OLIVER,
Cashier Central Savings Bank and Trust Co., Monroe, La.

—Travis Oliver is cashier of the Central Savings Bank and Trust Co., at Monroe, La., and is known as the youngest cashier in the banking world. He will not reach his majority until his next birthday, and yet has been in the banking business since 1903. In that year, Mr. Oliver graduated from high school and entered the Onachita National Bank, advancing from one position to another to that of assistant cashier. This was in 1906 when he assumed his present duties, and since that time his bank has made remarkable progress.

—The new building of the Bank of Kestler, Ga., is nearing completion, and presents a most picturesque view. The bank hopes to be able to occupy its new quarters by the first of February.

—The Jackson Banking Company, with a capital stock of $75,000 and deposits of $250,000, will be absorbed by the Union Bank and Trust Company of Jackson, Tenn. According to an announcement by the officials of the retiring bank, no question of the bank's solvency is involved, the absorption being the result of a desire on the part of officials of the Jackson Banking Company to retire from business. The depositors, they declare, will be paid dollar for dollar.

—The First National Bank of Covington, Ga., has begun business in that city, but in temporary quarters, pending the erection of a new home. Its officers are: Dr. N. Z. Anderson, president; L. O. Benton, vice-president; Clarence D. Terrell, cashier.

—The new Citizens' National Bank of Anderson, S. C., with $100,000 capital begins business this month. D. P. McBrayer is president; R. A. Lewis, vice-president, and J. F. Shumate, cashier.

—W. R. Lewis of Washington, D. C., has succeeded W. H. Kellogg, resigned, as cashier of the Newport News (Va.) National Bank.

—Statements of the 178 state banks of Louisiana at the close of business on De-

cember 3 show total resources, $102,413,224; deposits subject to check, $33,556,456; savings bank deposits, $19,740,568; other deposits, $4,071,982; due banks, $8,116,705; capital stock, $14,777,695; surplus, $7,493,786; undivided profits, $2,221,169; loans and discounts, $63,904,424; bonds and other securities, $11,025,681; due from banks, $12,182,539; clearing-house checks and cash, $7,108,716.

—The Savings Bank of Baltimore opened for business in its handsome new quarters, on the southeast corner of Baltimore and Charles streets, on the morning of December 9. The structure is undoubtedly the finest banking building in Baltimore, rivalling in beauty some of the old Grecian temples, from which it is modeled.

—The bank of Murphy, N. C., has consolidated with the People's Bank of that place, and now has a capital of $40,000. John H. Carter is president and L. E. Bayless, cashier.

—The Bank of Buckhead (Ga.) recently held the annual meeting of its stockholders and elected the following officers: G. M. Gaissert, president; Dr. W. L. Rogers, vice-president; C. C. Shouse, cashier.

—R. W. Moore, R. E. Wheeler and other prominent business men of Sparta, Ga., have incorporated the Sparta Savings Bank, with a capital stock of $25,000.

—Announcement has been made that the Lowry National Bank of Atlanta will increase its circulation from $500,000 to $800,000.

MIDDLE STATES.

—A reorganization of the Ypsilanti (Mich.) Savings Bank has been completed and the institution is now in a more solid financial condition than it has been in years. All the old stockholders were assessed dollar for dollar on their stock holdings and all except Henry P. Glover, vice-president, bought their stock anew. Edgar Rexford has been decided upon for the new president.

—Progress is being made on the new building for the German National Bank of Marietta, Ohio, which is being constructed almost entirely of concrete and terra cotta. All work is thoroughly tested as the different parts are completed. During one test twenty-two thousand pounds of pressure were put on the first floor, and there was a deflection of but one sixty-fourth of an inch.

—The American State Bank, a new institution of Terre Haute, Indiana, is opened for business in very attractive and convenient quarters. The bank is fully equipped for the transaction of commercial banking in all departments. The officers are: President, W. H. Tabor; vice-president, W. E. Bell; cashier, D. C. Byrn.

—As an index to its growing prosperity, the First State Bank of Petoskey, Mich., has erected a handsome new building for its future home. Nothing has been omitted which would add to the comfort and convenience of its patrons.

—The Bank of Commerce has consolidated with the Bank of Seymour, Mo., and the new institution will be known as the Bank of Seymour, with a capital stock of $20,000. H. Jenings is the new president.

—At the annual meeting of the Grand Rapids (Mich.) Savings Bank this month the question of enlarging its banking quarters will be discussed. If the plan meets with approval, an adjoining storeroom will be fitted up and taken in.

—It has been decided by vote of the directors of the Cedar Falls (Ia.) National Bank to change from a national to a savings institution, to be known as the Securities Savings Bank.

—Work on the new home of the Second National Bank of Cincinnati is progressing rapidly and the steel work will be completed by February. The building is to be twelve stories high with concrete floors.

—The Farmers' State Bank, which was being organized in Watkins, Minnesota, has taken over the stock and name of the State Bank of Watkins.

—Two of the oldest banks of Kokomo, Ind.—the Howard National and the Citizens' National—will each increase their capital stock from $100,000 to $200,000.

—By its official statement of December 3 the Commercial German National Bank of Peoria, Ill., had $550,000 capital, $429,935 surplus and profits, and $4,908,880 deposits.

—Work has begun on the new National Bank of Commerce building at the corner of Broadway and Pine streets, St. Louis. When completed the structure will be a credit to the bank, whose home it will be.

—The Iowa National Bank has been consolidated with the Des Moines Savings Bank and new officers elected to give the new stockholders representation. The officers are: President, Homer A. Miller; vice-presidents, H. S. Butler and Simon Casady; cashier, Harry T. Blackburn; assistant cashiers, G. A. Nelson and C. T. Cole, Jr.

The consolidation of the two institutions has made the new bank the largest in Iowa, and is the result of negotiations which have been going on for some time.

—The Valley National and Valley Savings banks of Des Moines have opened for business in their new home at the northwest corner of Fourth and Walnut streets. The Valley National recently increased its capital from $200,000 to $300,000.

—On December 10 occurred the annual dinner of the Illinois Manufacturers' Association, in Chicago, at which Congressman Fowler and John L. Hamilton were the principal speakers. Both spoke of the financial situation and pointed out remedies for the present conditions. Congressman Fowler is the chairman of the House Committee on Banking and Currency and has recently appointed a sub-committee to draft a new currency law. He is the Republican Congressman from the fifth district of New Jersey, but he was born at Lena, Ill., in 1852. John L. Hamilton is the senior member of the banking firm of Hamilton & Cunningham of Hoopeston, Ill. He is a member of the currency committee of the American Bankers' Association, and has delivered many addresses on elastic currency.

—A school of Finance and Commerce will be formally opened by the Northwestern University of Chicago next autumn. The school is planned to impart instruction in commercial law, insurance, accounting, transportation and other kindred subjects.

—John H. McCluney, who has held the office of vice-president with the State National Bank of St. Louis, was recently elected president, and Lorraine F. Jones, the former president, becomes chairman of the board.

—N. B. Van Slyke, president of the First National Bank, Madison, Wis., has addressed a letter to John L. Hamilton, of the Currency Committee of the American Bankers' Association, containing these suggestions:

1. Remove the present tax on circulation because the benefits derived otherwise by government is full compensation.

2. In addition to the present provision in relation to mortgages, allow not to exceed twenty per cent. of bank's capital stock to be loaned direct in real estate security, this being quite an important feature with country banks.

3. Subject to the regulation of the Comptroller of the Currency and approval of the Secretary of the Treasury, accept as security for Government deposits, other collaterals, placing this authority beyond question.

4. Finally, to avoid the necessity of national banks organizing apparently separate institutions as trust companies, give them the right to act the same as trustees, etc., etc., as state banks and trust companies are privileged in their respective states, placing the national system on the same plane with other institutions in the states where located.

If banks will confine themselves to the just and proper sphere of promoting legitimate trade, rather than loaning on margins for speculative purposes, there would be no need of an "emergency" currency which in itself only palliates without cure.

—The business men of Ravenswood—a Chicago suburb—are rejoicing over the successful completion of the plans made by Robert J. Bennett, vice-president of William M. Hoyt & Co., William H. Bryan, Morton L. Roberts, Charles L. Johnson, Albert E. Ziehme and John P. Burke to organize the State Bank of Ravenswood, capitalized at

$200,000. Already the permit has been secured from the State Auditor of Public Accounts. It is expected that the stock subscriptions will be paid in full by January 15, 1908, and the bank will open for business shortly thereafter.

The proposed plan whereby the deposits of the Ravenswood Exchange Bank, which recently went into a receiver's hands, could be converted into capital stock of the new institution, has been discarded as impracticable, and the new bank will be in no way related to the Exchange Bank.

W. H. Bryan, one of the organizers of the State Bank, says: "If we can get at a fair figure the property in which the old bank was located at Ravenswood Park and Wilson avenue, we might take it, but we have no connection with that enterprise at all."

—Representatives of the Chicago Chapter of the American Institute of Banking won their first inter-city debate of the season in a hotly contested battle, in which the weapons of warfare were logic and oratory, at Detroit, on the evening of Dec. 7.

The live question, "Resolved, That the amount of property which may be inherited in this country, by any one individual, from any one individual, should be limited in amount by law," afforded the speakers on both sides much good ground for discussion. The telling arguments, clearly defined points and apt illustrations of the speakers on both sides of the question, were appreciated and heartily applauded by the audience which filled the convention hall of the Hotel Cadillac.

On the winning team which supported the affirmative side of the question were Benjamin B. Bellows and Craig B. Hazlewood of the Commercial National Bank, and Martin F. Smith of the Colonial Trust and Savings Bank. The Detroit debaters were Theo. F. A. Osins, Julian G. Kirsten and Chas. J. Higgins.

In announcing the result Alfred J. Murphy, spokesman for the judges, said that the high order of the debate made a decision difficult and complimented the Detroit boys for their gallant stand. The other judges were Charles L. Bartlett and Walter E. Oxtoby.

The next inter-city debate will be held in Chicago about the middle of February, when a trio of debaters from Indianapolis will endeavor to prove that the Government should not establish and maintain a system of postal savings banks.

—Resources of $10,386,036 are shown in the December 3d statement of the American National Bank of Indianapolis, Ind. This bank has $1,500,000 capital, $500,000

surplus, and $119,000 undivided profits. Its deposits aggregate $4,927,516. On the date named the cash and due from banks amounted to $2,546,177.

—St. Louis banks, by allowing their reserves to run down below legal requirements, were able to afford their correspondents important service during the late monetary stringency. Clearing-house certificates were employed for only twelve days.

WESTERN STATES.

—There is now under construction at Denver, Col., a new building for the Capital National Bank, which is to have the largest steel vaults of any bank in the West. The vaults will be of the Hall make and will contain many features that will make them absolutely burglar-proof. They will be three stories in height, set on a foundation of many tons of steel embedded in concrete.

—The First National Bank of Sandpoint, Idaho, is in temporary quarters for this winter, but expect to erect a new building next spring.

—The Bank of Topeka, Kans., at its regular semi-annual meeting held last month, declared a dividend of four per cent.

—The West Point (Neb.) National Bank has moved into its new building. The new home of the bank is the finest and most complete banking building in the Elkhorn Valley. All the latest devices and up-to-date fixtures have been installed.

—On March 1 the State National Bank of Albuquerque (N. M.) will move into its future home, recently purchased and equipped with a handsome set of banking furniture.

PACIFIC STATES.

—The directors of the Merchants' Exchange of San Francisco, at a meeting held on December 2, adopted the following resolution favoring the establishment of a central bank authorized by the United States Government:

"Resolved, That it is the sense of this board of directors that the Congress of the United States should enact laws providing for a central bank along the lines suggested by the special committee of the Chamber of Commerce of New York city under date of October 1, 1906."

—A bank, to be known as the First National, with a capitalization of $25,000, will be opened soon at El Centro, California.

—The Farmers and Merchants' Bank of Long Beach, Cal., capitalized at $25,000, has opened its doors for business.

—Work on the new Salinas (Cal.) City Bank building is progressing rapidly, and the structure will soon be inclosed. The walls are of pressed brick and terra cotta, reinforced by concrete.

—Complete reorganization of the defunct California Safe Deposit and Trust Company of San Francisco was effected Dec. 18. The directors and officers tendered their resignations at a meeting held at the Merchants' Exchange Building and a new set was promptly elected. B. P. Oliver, foreman of the late Grand Jury, was chosen president of the bank, Louis Saronia vice-president, and O. M. Goldaracena secretary.

The new directors include R. O. Bliss, A. M. Williams, J. C. Brickell, J. A. Young, A. Aronson, B. P. Oliver, Louis Saronia and David F. Walker.

—Legal emergency holidays declared by Gov. Gillett of California to aid banks during the financial stringency, ended on December 22. Homer S. King, president of the San Francisco Clearing House, said of the situation:

"During the last two weeks everything in California banking circles has been nor-

mal. The need of the holiday is past. Gold is plentiful on demand. The clearing-house certificates have served a useful purpose, but we are gradually retiring them."

—Here are some good items from the statement of the McMinnville (Ore.) National Bank on December 3: "Interest paid on deposits, none; premium on bonds, none; loans to officers, none; loans in excess of lawful limit, none." The bank has $50,000 capital, $50,000 surplus, $7,914 undivided profits, and $398,787 deposits, the latter item having increased $31,680 since December, 1906.

—A magnificent building has been erected by the Security Savings Bank of Los Angeles, which consolidated a short time ago with the Southern California Savings Bank. The new home is indisputably the best equipped and handsomest of its kind on the Pacific Coast or west of the Mississippi Valley.

—In its new quarters in the Herman W. Hellman building, the Los Angeles (Cal.) National Bank is now comfortably "at home." The bank has increased its office force by employing more tellers. Certain alterations remain to be made in the arrangements, but the business of the bank is progressing as though there had been no removal.

CANADA.

—The Northern Bank of Canada is contemplating the erection of a bank and office building in Victoria, B. C., that will be a credit to the city.

—According to the half-yearly balance-sheet of the Imperial Bank of Canada on October 31, that bank's deposits were $30,462,066, not including deposits by other Canadian banks amounting to $102,503. The capital is $4,860,306, and the rest—or surplus—exactly the same.

—The increased strength of Canadian banks is shown by the gain in the proportion of rest to capital. Ten years ago, in 1897, the proportion was equivalent to 44.17 per cent., while to-day it stands at 72.57 per cent.

—For the year ending November 30 the Banque d'Hochelaga shows: Net profits, $449,794.05, and premium on new stock, $175,000. After making provision for dividends, pension fund, premises and fixtures, etc., $400,000 was carried to the reserve fund, leaving $20,477 to the credit of profit and loss. This bank has $2,500,000 capital and a reserve fund of $2,000,000.

—The Bank of Toronto exhibits the following statement on November 30, 1907:

PROFIT AND LOSS ACCOUNT.

The balance at credit of profit and loss, on Nov. 30, 1906, was		$73,048.50
The net profits for the year, after making full provision for all bad and doubtful debts, and deducting expenses, interest accrued on deposits and rebate on current discounts, amounted to the sum of......	$586,635.05	
Premium received on new stock	56,470.00	
		$643,105.05
		$716,153.55

This sum has been appropriated as follows:

Dividend No. 102, 2½ per cent.	$99,380.35	
Dividend No. 103, 2½ per cent.	99,634.25	
Dividend No. 104, 2½ per cent.	99,964.65	
Dividend No. 105, 2½ per cent.	99,995.45	
		$398,974.70
Transferred to officers' pension fund		10,000.00
Written off bank premises		100,000.00
Transferred to rest account from premium on new stock		56,470.00
Carried forward to next year...		150,708.85
		$716,153.55

REST ACCOUNT.

Balance as on Nov. 30, 1906.....	$4,443,530.00
Premium on new stock	56,470.00
Amount at credit on Nov. 30, 1907	$4,500,000.00

—The Canadian Bank of Commerce makes the following statement of the result of the business of the bank for the year ending Nov. 30, 1907:

Balance at credit of profit and loss account, brought forward from last year	$103,562.43
Net profits for the year ending Nov. 30, after providing for all bad and doubtful debts	1,752,349.67
	$1,855,912.10

Which has been appropriated as follows:

Dividends Nos. 80, 81, 82 and 83, at eight per cent. per annum..	$800,000.00
Written off bank premises......	350,000.00
Transferrd to pension fund (annual contribution)	30,000.00
Balance carried forward	675,912.10
	$1,855,912.10

NEW VAULT WORK.

BENJAMIN F. TRIPP, safe and bank vault engineer, 46 Cornhill, Boston, has the following new vaults in course of construction from his designs and under his superintendence:

Manchester National Bank and Manchester Savings Bank, Manchester, N. H.; First National Bank, Greenfield, Mass.; Springfield Safe Deposit & Trust Co., Springfield, Mass.; Whitman Savings Bank and Whitman National Bank, Whitman, Mass.; Gardner Savings Bank and First National Bank, Gardner, Mass., and First National Bank, Houlton, Maine.

AMERICAN INSTITUTE OF BANKING.

A RECENT meeting of the Valley Chapter of the American Institute of Banking of Eau Claire and Chippewa Falls, Wis., was addressed by Secretary George E. Allen. Chapter Secretary W. E. Cary, writing to The Bankers Magazine, says: "Mr. Allen spoke on chapter work and the financial situation. It is the first time the chapter has had the pleasure of meeting Mr. Allen. He made many friends and left us better chapter members."

CHAPTER SECRETARY KENNETH A. MILLICAN of the Oakland, Cal., chapter, writes:

"Our chapter has 115 members, which we look upon as being very good for only five months' existence." He expects that the chapter will have a still greater development from now on.

H. H. GRANGER, secretary of the Chattanooga chapter, writes under date of January 6th:

"The Chattanooga Chapter of the American Institute of Banking was organized in May, 1907, with a membership of fourteen. This number has steadily increased, until now it is over sixty-five, which is a large percentage of the clerks of the six banks of this city.

"The officers elected for the year are: President, F. E. Colville of the Hamilton National Bank; vice-president, T. R. Durham of the Chattanooga Savings Bank; secretary, H. H. Granger of the Citizens' Bank & Trust Co.; treasurer, R. G. Brock of the Chattanooga Savings Bank.

"From the start this organization had the hearty support of the officers of the banks, many of whom take an inactive part in the meetings. Mr. F. L. Underwood, assistant Cashier of the Hamilton Trust & Savings Bank, represented the chapter at the Detroit convention last August.

"Among the most notable papers read before the chapter were those by T. R. Preston, president of the Hamilton National and Hamilton Trust and Savings Bank, on 'The History of American Banking,' and by Mr. W. A. Sadd, president of the Chattanooga Savings Bank, on 'Real Estate Loans.'

"Mr. Clay Herrick of Cleveland, Ohio, paid the chapter a visit, and made a most interesting talk on the workings of the Institute.

"A regular course of study of Commercial Law has been mapped out, and is now being conducted under the direction of Mr. L. M. Thomas, a prominent and able young lawyer of Chattanooga. His lecture is followed at each weekly meeting by a discussion among the members of such questions as may be proposed orally or through the 'Question Box.'

"It is not the intention of the members to neglect the social features pertaining to an organization of this character. Having already given an informal 'Smoker,' they are now planning a more elaborate entertainment for the near future.

"Withal, the chapter bids fair to sustain, by thorough work and rapid progress, the reputation of its home: 'Chattanooga, the City of Cash Payments.' "

SECRETARY ALLEN provides us with the following statement of the objects and methods of the American Institute of Banking:

The American Institute of Banking is conducted under the auspices of the American Bankers' Association to promote the education of bankers in banking through the organization of chapters and otherwise, and to fix and maintain a recognized standard of education by means of examinations and the issuance of certificates. Chapters in cities are usually conducted in alliance with schools of finance and law or under the direction of approved instructors. A correspondence chapter of the same general character and Institute standing as city chapters includes in its membership country bank officers and employees and home students in cities. Examinations for certificates are held at convenient intervals and are conducted by correspondence without restrictions beyond satisfactory evidence that students have answered questions without personal assistance. Persons eligible to examination for certificates are (1) graduates of approved schools of finance and law, (2) chapter members who have done satisfactory work for a period of at least three years, and (3) students who have completed approved correspondence or reading courses. One examination covers the subject of banking principles and practice. Another covers the subject of commercial law. Certificates are issued only to students who have passed both such examinations. In the issuance of certificates due consideration is given to banking experience and personality.

The government of the Institute is vested in a Board of Trustees, consisting of E. D. Hulbert, Chicago; J. B. Finley, Pittsburg; Gates W. McGarragh, New York; David R. Forgan, Chicago; Charles B. Mills, Clinton, Iowa; John F. Thompson, New York; Joseph Chapman, Jr., Minneapolis; Clay Herrick, Cleveland; J. H. Puelicher, Milwaukee; D. C. Wills, Pittsburg; F. L. Johnson, St. Louis; L. P. Hillyer, Macon, Ga.; N. D. Alling, New York; B. C. Downey, Indianapolis; Joshua Evans, Jr., Washington. The officers of the Institute are E. D. Hulbert, president; Charles B. Mills, vice-president; Gates W. McGarragh, treasurer; George E. Allen, secretary.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report.

Applications to Organize National Banks Approved.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

American National Bank, Atoka, Okla.; by F. E. Adams, et al.

Estill National Bank, Estill, S. C.; by S. M. Clarke, et al.

Deer Lodge National Bank, Deer Lodge, Mont.; by E. A. Crain, et al.

National Bank, Luverne, Minn.; by Fred. B. Burley, et al.

First National Bank, of Eagle County, Eagle, Colo.; by Louis Schwarz, et al.

Worthington National Bank, Worthington, Minn.; by W. M. Evans, et al.

Cresson National Bank, Cresson, Tex.; by F. O. Fiddler, et al.

Farmers National Bank, Kingsley, Ia.; by Mason J. Foft, et al.

Lucas County National Bank, Chariton, Ia.; by J. A. McKlveen, et al.

First National Bank, Fort Branch, Ind.; by Charles Hatch, et al.

First National Bank, Bourbon, Ind.; by James H. Matchett, et al.

Alfalfa County National Bank, Cherokee, Okla.; by H. B. Kliewer, et al.

First National Bank, Allen, Okla.; by D. T. Gray, et al.

Application for Conversion to National Banks Approved.

Peoples Bank, Pensacola, Fla.; into Peoples National Bank.

Bank of Nashville, Nashville, Ga.; into First National Bank.

Dallas County Savings Bank, Adel, Ia.; into First National Bank.

Farmers State Bank, Milaca, Minn., into First National Bank.

Merchants & Farmers Bank, Pontotoc, Miss.; into First National Bank.

Bank of Ainsworth, Ainsworth, Neb.; into National Bank.

Linton State Bank, Linton, N. D.; into First National Bank.

Sharon State Bank, Sharon, N. D.; into First National Bank.

Kidder Co. State Bank, Steele, N. D.; into First National Bank.

Citizens Bank, Vancouver, Wash.; into Citizens National Bank.

Merchants Bank, Watertown, Wis.; into Merchants National Bank.

National Banks Organized.

8948—First National Bank, Kennewick, Wash.; capital, $25,000; Pres., W. R. Amon; Vice-Pres., B. F. Knapp; Cashier, L. E. Johnson.

8949—Live Stock National Bank, South Omaha, Neb.; capital, $100,000; Pres., C. M. Schindel; Cashier, L. M. Lord.

8950—First National Bank, New Sharon, Ia.; capital, $50,000; Pres., G. H. Barbour; Vice-Pres., G. M. Garner; Cashier, M. Bainbridge; Asst. Cashier, E. R. Raffety.

8951—Merchants National Bank, Salida, Colo.; capital, $50,000; Pres., James J. McKenna; Vice-Pres., I. W. Haight; Cashier, D. H. Craig.

8952—First National Bank, Huntsville, Ark.; capital, $25,000; Pres., E. A. Routh; Vice-Pres., W. C. Cluck; Cashier, Sam Nunneley; Asst. Cashier, R. F. Jay; Conversion of Madison Co. Bank.

8953—First National Bank, Asheboro, N. C.; capital, $25,000; Pres., J. S. Lewis; Vice-Pres., C. J. Cox; Cashier, Jno. M. Neely.

8954—Peoples National Bank, West Alexander, Pa.; capital, $25,000; Pres., E. M. Atkinson; Vice-Pres., R. J. McCleery; Cashier, W. B. Gilmore; Asst. Cashier, Lillian Mounts.

8955—Roseburg National Bank, Roseburg, Oreg.; capital, $50,000; Pres., J. W. Hamilton; Vice-Pres's., N. Rice and J. F. Barker; Cashier, A. C. Marsters.

8956 Tennyson National Bank, Tennyson, Ind.; capital, $25,000; Pres., F. T. Aust; Vice-Pres., J. J. Metz; Cashier, E. M. Roland.

8957—First National Bank, Whitestone, N. Y.; capital, $50,000; Pres., E. P. Roe; Vice-Pres's., S. G. Beals and Jno. R. Townsend; Cashier, Theo. P. Brokaw, Jr.

8958—Connell National Bank, Connell, Wash.; capital, $25,000; Pres., F. D. Mottet; Vice-Pres., B. S. Wadsworth; Cashier, M. M. Taylor; Conversion of Franklin Co. Bank.

8959—First National Bank, Bogalusa, La.; capital, $25,000; Pres., G. C. Ligon; Vice-Pres., Leroy A. Pierce; Cashier, C. L. Olivier.

8960—Grange National Bank of Susquehanna County, New Millford, Pa.; capital, $25,000; Pres., W. H. Tingley; Vice-Pres., J. F. Butterfield; Cashier, F. J. Gere.

8961—First National Bank, Saratoga, Wyo.; capital, $25,000; Pres., I. C. Miller; Cashier, Gustave Jensen; Asst. Cashier, W. H. Wickham.

8962—First National Bank, Schaefferstown, Pa.; capital, $25,000; Pres., Uriah B. Horst; Vice-Pres's., M. G. Umberger, J. Y. Brubacher, and Harvey Wealand; Cashier, Alvin Binner.

8963—First National Bank, Scottsboro, Ala.; capital, $25,000; Pres., J. D. Snodgrass; Vice-Pres's., C. A. Webb, R. H. Bynum and D. F. Shelton; Cashier, L. W. Rorex.

8964—Merchants National Bank, Pottsville, Pa.; capital, $200,000; Pres., W. E. Harrington; Vice-Pres., Jno. H. Williams; Cashier, Marshall.

8965—Cresson National Bank, Cresson, Tex.; capital, $25,000; Pres., F. O. Fidler; Vice-Pres., R. C. Kinder; Cashier, C. C. Fidler.

8966—Third National Bank, Fitzgerald, Ga.; capital, $50,000; Pres., E. N. Davis; Vice-Pres., A. B. Cook; Cashier, C. E. Baker.

8967—Cortez National Bank, Cortez, Colo.; capital, $25,000; Pres., H. M. Guillet; Vice-Pres., E. R. Lamb; Cashier, C. H. Rudy; Asst. Cashier, C. L. Coston.

8968—Mohnton National Bank, Mohnton, Pa.; capital, $25,000; Pres., Geo. H. Leininger; Vice-Pres's., Chas. M. Yetter and M. C. Kauffman; Cashier, Wayne F. Griffith.

8969—Mechanicsburg National Bank, Mechanicsburg, Pa.; capital, $50,000; Pres., M. H. Spahr; Vice-Pres., L. G. Forestine.

8970—First National Bank, Hubbard, Ia.; capital, $25,000; Pres., Geo. R. Long; Vice-Pres., W. E. Long; Cashier, H. R. Long; Asst. Cashier, W. O. Reed.

8971—Commercial National Bank, Shenandoah, Ia.; capital, $50,000; Pres., H. I. Foskett; Vice-Pres., A. W. Murphy; Cashier, J. F. Lake; Conversion of Commercial Savings Bank.

NEW STATE BANKS, BANKERS, ETC.

ALASKA.

Katalla—First Bank; capital, $25,000; Pres., Jno. Schram; Vice-Pres's., Clark Davis and Thos. Lippy; Cashier, W. G. Smith.

ARKANSAS.

West Fork—Bank of West Fork; capital, $4,600; Pres., J. R. Harris; Vice-Pres., C. C. Stockburger; Cashier, Geo. A. Curtis.

GEORGIA.

Guyton—Citizens Bank; capital, $15,000; Pres., G. M. Shearouse; Vice-Pres., H. E. Archer; Cashier, J. A. Shearouse.

Springfield—Exchange Bank; capital, $15,000; Pres., C. F. Berry; Vice-Pres., H. W. McCartney.

IDAHO.

Spirit Lake—Bank of Spirit Lake; capital, $40,000; Pres., F. A. Blackwell; Vice-Pres., F. B. Grinnell; Cashier, A. B. Jacoby; Secy., W. F. Hireen.

ILLINOIS.

Grant Park—Farmers State & Savings Bank; capital, $25,000; Pres., J. W. Kah-

ney; Vice-Pres., Chris Wille; Cashier, Chas. Rayhorn.

Riverton—Bank of Riverton; Pres., Jas. H. Easley; Cashier, F. R. Dickerson.

Towanda—Towanda State Bank; capital, $25,000; Pres., O. Clark; Vice-Pres., S. R. Hilts; Cashier, F. H. Lonnor.

INDIANA.

Brownstone—Citizens State Bank; capital, $13,500; Pres., C. M. Allen; Vice-Pres., Ezra Whitcomb; Cashier, H. C. Murphy.

Fulton—Fulton State Bank; capital, $25,000; Pres., O. B. Smith; Vice-Pres., Geo. Rentschler; Cashier, Howard E. Frain.

Leiters Ford—Leiters Ford Bank; capital, $10,000; Pres., B. F. Overmyer; Vice-Pres., I. Hill; Cashier, F. E. Rouch.

Ray—Ray Bank; capital, $10,000; Pres., Theo. McNaughton; Cashier, E. B. McNaughton.

IOWA.

Cedar Falls—Security Savings Bank; capital, $50,000; Pres., Geo. S. Mornin; Vice-Pres., D. Bennison; Cashier, F. W. Paulger; Asst. Cashier, Leo H. Paulger.

KANSAS.

Hugoton—Hugoton State Bank; capital, $10,000; Pres., J. E. George; Vice-Pres., J. C. Gerroud; Cashier, C. E. Woods; Asst. Cashier, R. L. Robinson.

Independence—Independence State Bank; capital, $50,000; Pres., C. L. Kimble; Vice-Pres., W. C. Greening; Cashier, M. D. Ransdell.

KENTUCKY.

Summershade—Bank of Summershade; capital, $7,500; Pres., E. B. Pace; Vice-Pres., M. W. Wade; Cashier, G. M. Depew; Asst. Cashier, J. D. Bowles.

MICHIGAN.

Gaines—Citizens Bank; capital, $10,000; Pres., E. B. Jenney; Cashier, Frank F. Glemm.

MINNESOTA.

Big Falls—First State Bank (Successor to Lumbermens Bank); capital, $10,000; Pres., F. P. Sheldon; Cashier, R. M. Skinner.

Hardwick—Farmers State Bank (Successor to Hardwick Bank); capital, $10,000; Pres., E. E. Taylor; Vice-Pres., H. H. Buck; Cashier, D. J. Ross; Asst. Cashier, E. L. McFarland.

New Munich—New Munich State Bank; capital, $12,500; Pres., P. A. Hilbert; Vice-Pres., Math Pitzl; Cashier, Herman Terhaar.

MISSISSIPPI.

Star—Bank of Star; capital, $10,000; Pres., W. J. Rice; Vice-Pres., Philip Didlake; Cashier, H. F. Garrett.

MISSOURI.

Montrose—Farmers & Merchants Bank; capital, $10,000; Pres., H. H. Briggs; Vice-Pres., B. R. McNamee; Cashier, Frank Stoddard; Asst. Cashier, F. R. Linton.

Southwest City—Peoples Bank; capital, $10,000; Pres., A. J. Sanders; Vice-Pres., J. C. Yeargain, Jr.; Cashier, Geo. D. Cates.

MONTANA.

Hardin—Bank of Hardin; Pres., J. B. Arnold; Cashier, E. A. Howell.

NEW MEXICO.

Tucumcari—Quay Co. Savings Bank; capital, $15,000; Pres., T. W. Herman; Vice-Pres., W. J. Hittson; cashier, C. H. Fischer; Asst. Cashier, Fred'k Sampson.

NEW YORK.

New York City—Hungarian American Bank; capital, $100,000; Pres., W. H. Bryan; Vice-Pres., Eugene Boross; Asst. Cashier, Ross A. Curran.

NORTH CAROLINA.

Mount Olive—Citizens Bank; capital, $15,-000; Pres., J. E. Kelly; Vice-Pres., Jas. M. McGee; Cashier, J. E. Morrisette.

Wadesboro—Southern Savings Bank; capital, $125,000; Pres., J. S. Patrick; Cashier, W. M. Morton.

NORTH DAKOTA.

Rolla—Farmers & Merchants Bank; capital, $10,000; Pres., L. Howson; Vice-Pres., C. R. Goilfus; Cashier, A. V. Graham; Asst. Cashier, Jno. D. Stout.

OHIO.

Helena—Helena Banking Co.; capital, $12,-500; Pres., Jno. C. Fisher; Vice-Pres., C. A. Stearns; Cashier, F. F. Aldrich; Asst. Cashier, J. W. Walter.

OKLAHOMA.

Hobart—Home State Bank; capital, $15,-000; Pres., W. W. Rowland; Vice-Pres., J. W. Walton; Cashier, W. C. Kelsay; Asst. Cashier, O. B. Mathersaid.

Pooleville—Bank of Commerce; capital, $10,-000; Pres., T. J. Hartman; Vice-Pres., E. P. Blake; Cashier, W. P. Higgins.

Quinton—Union & Planters Bank; capital, $50,000; Pres., R. H. Williams; Cashier, C. H. Carpenter.

Sayre—Beckham Co. State Bank (Successor to Bank of Sayre); capital, $10,000; Pres., L. A. Wilson; Vice-Pres., H. A. Russell; Cashier, O. M. Marsh.

OREGON.

Astoria—Scandinavian American Savings Bank; capital, $50,000; Pres., Gust Holmes; Vice-Pres., C. G. Palmberg; Cashier, J. M. Anderson; Asst. Cashier, Jno. Nordstrom.

Westfall—Jones & Co.; capital, $10,000; Pres., Wm. Jones; Cashier, J. D. Fairman.

PENNSYLVANIA.

Philadelphia—Peoples Savings Bank; Pres., Geo. H. White; Vice-Pres's., E. W. Moor and J. T. Seth; Cashier, W. J. Trent; Asst. Cashier, W. A. Sinclair.

SOUTH DAKOTA.

Blunt—Dakota State Bank; capital, $10,000; Pres., J. F. Gunsalus; Vice-Pres., H. R. Tarbell; Cashier, W. O. Johnson.

TENNESSEE.

McCays—Citizens Bank (Succeeded Polk County Bank); capital, $10,000; Pres., J. W. William; Vice-Pres., Jas. H. McCay; Cashier, B. Crawford; Asst. Cashier, J. A. Hedden.

TEXAS.

Dallas—Traders Bank & Trust Co.; capital, $50,000; Pres., H. D. Ardrey; Vice-Pres., J. R. McFarlend; Cashier, J. D. Day.

Dialville—Dialville State Bank; capital, $15,-000; Pres., W. B. Cowan; Vice-Pres., C. D. Jarratt; Cashier, J. D. Harris.

Hutto—Farmers & Merchants State Bank; capital, $30,000; Pres., J. Ljungren; Vice-Pres., Jno. Busch; Cashier, Harry Mauritz; Asst. Cashier, A. B. Walling.

Tuxedo—First Bank; Pres., J. W. Mingus; Vice-Pres., H. J. Cureton; Cashier, G. E. Spurlin.

WEST VIRGINIA.

Weston—Bank of Weston; Pres., Porter Arnold; Cashier, Walter Edwards.

WISCONSIN.

Marshfield—Marshfield State Bank; capital, $50,000; Pres., Richard Rowe.

CANADA.

BRITISH COLUMBIA.

Keremeos—Eastern Townships Bank; Mgr., J. A. R. Rome.

CHANGES IN OFFICERS, CAPITAL, ETC.

ARKANSAS.

Fort Smith—First National Bank; Sam'l McLoud, Pres., in place of G. T. Sparks, deceased; J. M. Sparks, Vice-Pres., in place of Sam'l McLoud.

CALIFORNIA.

Fowler—First National Bank; O. J. Woodward, Pres., in place of J. D. Hickman; P. W. Hastie, Vice-Pres., in place of W. A. Patton.

Long Beach—First National Bank; H. S. McKee, Pres., in place of J. B. Heartwell; C. J. Walker and Chas. G. Greene, Vice-Pres's.

Madera—First National Bank; F. E. Osterhout, Cashier, in place of L. Elliott.

Oakland—Union National Bank; Geo. D. Gray, Vice-Pres., in place of J. D. Brown.

COLORADO.

Denver—National Bank of Commerce; W. K. Marsh, Asst. Cashier, in place of K. A. Gagg.

CONNECTICUT.

Ridgefield—Ridgefield Savings Bank; Sam'l Keeler, Pres.; Geo. L. Rockwell, Vice-Pres.

DELAWARE.

Frankford—First National Bank; Rob't Wilgus, Vice-Pres.; C. R. Davis, Cashier.

GEORGIA.

Waycross—First National Bank and Bank of Waycross; consolidated under former title; capital, $200,000.

ILLINOIS.

Arrowsmith—Arrowsmith Bank; Geo. F. Lester, Vice-Pres.

Freeport—Second National Bank; D. F. Graham, Cashier, in place of H. S. Webster.

Wilmington—Commercial National Bank; C. H. Kahler, Cashier, in place of W. H. Odell.

INDIANA.

Warsaw—Lake City Bank; Elmer B. Funk, Cashier.

Winslow—Bank of Winslow; E. W. Rust, Cashier.

IOWA.

Des Moines—Iowa National Bank; Homer A. Miller, Pres., in place of H. S. Butler; H. S. Butler, Vice-Pres., in place of Jno. H. Cownie; Simon Casady, Vice-Pres., in place of C. C. Prouty; C. T. Cole, Jr., Asst. Cashier.

Marshalltown—First National Bank; J. L. Denmead, Vice-Pres., in place of Geo. Glick; H. Gerhart, Cashier, in place of T. J. Fletcher; no Asst. Cashier, in place of H. Gerhart.

KENTUCKY.

Harrodsburg—Mercer National Bank; F. P. James, Vice-Pres., in place of C. M. Dedman; B. W. Allen, Cashier, in place of F. P. James.

LOUISIANA.

Morgan City—First National Bank; H. M. Colten, Vice-Pres., in place of A. H. Angelloz.

MAINE.

Bath—Bath Trust Co.; resumed business December 9.

Belfast—Waldo Trust Co.; James H. Howes, Pres.; Albert Peirce, Vice-Pres.

Ellsworth—Burrill National Bank; Edw. F. Small, Asst. Cashier.

Skowhegan—First National Bank; Edw. P. Page, Pres., in place of A. H. Weston; Blin W. Page, Cashier, in place of Edw. P. Page.

MARYLAND.

Cumberland—Citizens National Bank; Hugh A. McMullen, Vice-Pres., in place of J. Henry Holzsher, deceased.

Port Deposit—Cecil National Bank; T. C. Bond. Jr., Asst. Cashier.

MASSACHUSETTS.

Boston—Beacon Trust Co.; C. L. Billman, Treas.—National Market Bank; F. G. Newhall, Pres., in place of Homer Rogers, deceased; Geo. A. Marsh, Cashier, in place of F. G. Newhall.

MICHIGAN.

Detroit—First National Bank; Jno. T. Shaw, Pres., in place of D. M. Ferry, deceased; Frank G. Smith, Cashier, in place of Jno. T. Shaw.

Menominee—First National Bank; A. Spies, Pres., in place of S. M. Stephenson, deceased.

MINNESOTA.

Biwabik—First National Bank; consolidated with State Bank under the former title; E. J. Simons, Cashier.

Faribault—Citizens National Bank; C. M. Buck, Pres., in place of F. A. Berry; C. H. March, Vice-Pres., in place of W. E. Blodgett; S. F. Donaldson, Cashier, in place of L. F. Shandorf; J. J. Rachac, Asst. Cashier.

Lowry—Bank of Lowry; title changed to Lowry State Bank; Toolef Jacobson, Vice-Pres., I. M. Engebretson, Cashier.

Underwood—Bank of Underwood; F. E. Salomonsen, Cashier.

Watkins—Watkins State Bank; M. Becker, Pres.; P. Witzman and F. Enderle, Vice-Pres's.; Chas. M. Holm, Cashier; Edwin Ehlers, Asst. Cashier.

MISSISSIPPI.

Greenwood—Delta Bank; W. R. Humphrey, Pres.; W. T. Loggins, Cashier.

Vicksburg—First National Bank; Geo. Williamson, Asst. Cashier.

MISSOURI.

King City—Citizens National Bank; Wm. Millan, Vice-Pres., in place of J. W. Liggett.

Rolla—Merchants & Farmers Bank; A. S. Long, Pres., deceased.

Seymour—Bank of Seymour; absorbed Bank of Commerce; capital, $20,000.

St. Louis—State National Bank; J. H. McCluney, Pres., in place of L. F. Jones; no Vice-Pres., in place of J. H. McCluney.

MONTANA.

Butte—Daly Bank & Trust Co.; Jno. D. Ryan, Vice-Pres., in place of Jno. D. Lalor.

Culbertson—First National Bank; no Vice-Pres., in place of H. C. Tweet.

Sheridan—Sheridan State Bank; R. W. Rossiter, Cashier.

NEBRASKA.

Chapman—Chapman State Bank; M. V. Scott, Pres.; F. K. Sprague and E. E. Ross, Vice-Pres's.; D. E. Magnuson, Cashier.

Grand Island—Commercial State Bank; resumed business.

Lodge Pole—Peoples Bank; W. W. Young, Pres.; W. G. Melton, Vice-Pres.; G. G. LaSelle, Asst. Cashier.

Table Rock—State Bank; David K. Miller, deceased.

NEW JERSEY.

Woodbury—Farmers & Mechanics National Bank; E. H. Davis, Cashier, in place of J. S. Truitt.

NEW YORK.

Downsville—First National Bank; A. H. Griffith, Asst. Cashier.

Highland Falls—Citizens National Bank; J. Carr Mount, Cashier, in place of Isaac H. Birdsley.

New York City—American Savings Bank; Clarence Goadby, Pres., in place of Edw. V. Loew, deceased.—Century Bank; Henry Dimse, Vice-Pres.—New York Produce Exchange Bank; Jno. R. Wood, Cashier, in place of Wm. A. Sherman, resigned.—James H. Oliphant & Co.; James H. Oliphant, deceased.

NORTH CAROLINA.

Mount Olive—Bank of Mount Olive; J. B. Oliver, Vice-Pres.

Murphy—Bank of Murphy; absorbed Peoples Bank under former title; capital, $36,000; A. B. Dickey, Vice-Pres.; F. D. Dickey, Asst. Cashier.

NORTH DAKOTA.

Bantry—State Bank and Farmers State Bank; consolidated under former title; capital, $15,000; James McIntyre, Cashier; P. A. Hanson, Asst. Cashier.

Maddock—First National Bank; G. A. Haugen, Cashier, in place of N. H. Story.

McCumber—State Bank; D. H. Beecher. Pres.; N. B. Felton, Vice-Pres.; H. G. Anderson, Asst. Cashier.

OHIO.

Camden—First National Bank; J. E. Randall, Cashier, in place of Azel Pierce.

Cincinnati—Citizens National Bank; G. P. Griffith, Cashier, in place of O. P. Tucker; G. P. Griffith, Pres. also.

Geneva—First National Bank; A. D. Moreland, Vice-Pres., in place of A. J. Trunkey; W. W. Watkins, Cashier, in place of B. G. Blair.

OKLAHOMA.

Cashion—First National Bank; D. W. Hogan, Vice-Pres., in place of A. L. Houseworth.

Frederick—City National Bank; resumed business December 20.

Hobart—Farmers & Merchants National Bank; B. M. Lovelace, Cashier, in place of W. C. Kelsay.

Norman—First National Bank; E. B. Johnson, Pres., in place of J. A. Hullum; Chas. S. Smith, Vice-Pres., in place of E. B Johnson.

Sayre—First National Bank; Guy Ford, Cashier, in place of C. E. Gannaway; no Asst. Cashier, in place of Guy Ford.

Weatherford—First National Bank; Jno. A. Simpson, Pres., in place of J. L. Daniel; no Vice-Pres. in place of Jno. A. Simpson.

PENNSYLVANIA.

Conemaugh—First National Bank of East Conemaugh; Jno. H. Cooney, Asst. Cashier.

Philadelphia—Colonial Trust Co.; H. L. Elkins, Vice-Pres. and Treas.—Franklin National Bank; J. A. Harris, Jr., Vice-Pres.

Reading—Farmers National Bank; C. K. Whitner, Pres., in place of Isaac Eckert; no Vice-Pres., in place of C. K. Whitner.

SOUTH CAROLINA.

Fountain Inn—Bank of Fountain Inn; H. M. Burgard, Cashier.

Lexington—Home Bank; Julian E. Kaufmann, Pres.; Sam'l B. George, Vice-Pres.

SOUTH DAKOTA.

Redfield—German-American National Bank; Wm. Schoniger, Vice-Pres., in place of T. S. Everitt.

TENNESSEE.

Clarksville—First National Bank; Wesley Drane, Pres., in place of B. H. Owen; no Cashier in place of Wesley Drane.

TEXAS.

Clyde—First National Bank; J. H. Baxter, Pres., in place of B. C. Clemmer; Jno. W. Robbins, Asst. Cashier; no Cashier in place of Jno. H. Harkins.

Del Rio—Del Rio National Bank; J. H. Wiggins, Vice-Pres., in place of C. W. Odell.

Eagle Lake—First National Bank; resumed business December 19.

Henderson—First National Bank; no Vice-Pres. in place of Tom Arnold.

Hereford—Western National Bank; no Cashier in place of F. B. Fuller.

Lufkin—Angelina National Bank; F. H. Tucker, Cashier, in place of H. W. Conger.

Meridian—First National Bank; Ernest Muirhead, Asst. Cashier.

Moore—Moore National Bank; R. S. Nixon, Cashier, in place of T. H. Mullin.

Uvalde—Commercial National Bank; J. G. Smyth, Pres., in place of W. W. Collier; N. B. Pulliam, Vice-Pres., in place of J. G. Smyth.

VERMONT.

Newport—National Bank; H. T. Robbins, Cashier, in place of R. J. Wright, deceased.

VIRGINIA.

Alexandria—Citizens National Bank; R. M. Green, Cashier, in place of Carroll Pierce.

Covington—Citizens National Bank; no Pres. in place of T. H. Stirling.

Narrows—First State Bank; F. D. Kelley, Cashier.

Newport News—Newport News National Bank; W. R. Lewis, Cashier, in place of W. H. Kellogg.

WEST VIRGINIA.

Clarksburg—Merchants National Bank of West Virginia; W. H. Lewis, Cashier, in place of S. R. Harrison.

WISCONSIN.

Oshkosh—Old National Bank; no Vice-Pres. in place of W. J. Hay.

Seymour—First National Bank; Chas. Freund, Cashier, in place of Thos. Coghill.

CANADA.

QUEBEC.

Montreal—Canadian Bank of Commerce; F. H. Mathewson, Mgr., deceased.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

ALASKA.

Fairbanks—Fairbanks Banking Co.; suspended business December 14.

ARKANSAS.

Salem—Salem State Bank; in hands of receiver.

CALIFORNIA.

Calistoga—Bank of Calistoga; reported closed December 24.

COLORADO.

Durango—Colorado State Bank; reported closed.—Smelter City State Bank; reported closed.

GEORGIA.

Atlanta—Neal Bank, reported closed.

ILLINOIS.

Grant Park—Grant Park National Bank; in voluntary liquidation, November 20.

INDIANA.

Ambia—Citizens Bank; reported closed, December 18.

Fowler—Bank of Fowler; reported closed, December 18.

Goodland—Goodland Bank; reported closed, December 18.

Indianapolis—Richcreek Bank; placed in charge of Harry J. Milligan, receiver.

Middlebury—Farmers Bank; closed November 30.

IOWA.

Corwith—First State Bank; reported closed

Princeton—Princeton Savings Bank; reported closed.

MICHIGAN.

Chelsea—Chelsea Savings Bank; reported closed.

Jasper—Bank of Jasper; closed, December 11.

Stockbridge—Commercial Bank; suspended business.

MISSISSIPPI.

Corinth—Tishomingo Savings Bank; suspended business.

Mendenhall—Mendenhall Bank; reported closed, December 21.

MISSOURI.

Argentine—State Bank; reported closed, December 5.

Kansas City—National Bank of Commerce; reported closed, December 5.—Stockyards Bank of Commerce; reported closed, December 5.

OHIO.

Cleveland—Glenville Banking Co.; suspended business, December 19.

OKLAHOMA.

Miami—Bank of Miami; reported closed.

PENNSYLVANIA.

Pittsburg—Whitney Stephenson & Co.; reported closed.

SOUTH CAROLINA.

Charleston—Hibernia Trust & Savings Bank; in charge of receiver.

TENNESSEE.

Memphis—Memphis Savings Bank; in charge of E. L. McHenry, receiver.

TEXAS.

Clarendon—Citizens Bank; reported closed.

Merkel—Merkel National Bank; in voluntary liquidation, November 26.

UTAH.

Green River—Green River State Bank; reported closed.

VIRGINIA.

Big Stone Gap—Interstate Finance & Trust Co.; reported closed.

Money in the United States Treasury.

	Oct. 1, 1907.	Nov. 1, 1907.	Dec. 1, 1907.	Jan. 1, 1908.
Gold coin and bullion	$921,013,121	$915,283,759	$921,136,767	$955,957,820
Silver dollars	483,493,364	479,427,023	477,270,433	476,937,554
Subsidiary silver	7,812,842	6,661,373	3,221,533	4,650,135
United States notes	3,555,391	3,426,363	1,968,059	1,405,594
National bank notes	19,711,565	14,856,600	7,323,079	11,096,231
Total	$1,435,586,288	$1,419,655,618	$1,410,949,871	$1,450,046,834
Certificates and Treasury notes, 1890, outstanding	1,106,752,208	1,147,247,403	1,150,126,396	1,179,812,752
Net cash in Treasury	$328,834,075	$272,408,215	$260,823,475	$270,234,082

Supply of Money in the United States.

	Oct. 1, 1907.	Nov. 1, 1907.	Dec. 1, 1907.	Jan. 1, 1908.
Gold coin and bullion	$1,482,969,710	$1,489,742,845	$1,561,714,719	$1,604,530,493
Silver dollars	568,251,530	568,249,982	568,249,982	568,249,982
Subsidiary silver	132,799,079	134,122,602	136,201,145	139,680,994
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	603,987,114	609,980,466	656,218,196	690,180,895
Total	$3,134,688,449	$3,148,776,911	$3,269,065,058	$3,349,223,380

Money in the United States Treasury.—The total cash in the Treasury increased $39,000,000 and the certificates outstanding $29,000,000, making an increase of $10,000,000 in the net cash.

Supply of Money in the United States.—The total stock of money in the country increased $80,000,000, of which $43,000,000 was in gold, $34,000,000 in national bank notes, and $3,000,000 in subsidiary silver.

THE

BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

SIXTY-SECOND YEAR | FEBRUARY, 1908 | VOLUME LXXVI, NO. 2

THE ALDRICH CURRENCY BILL.

A Measure to Promote the Marketing of Certain Securities.

THE bill for amending the National Banking Act, introduced in the United States Senate on Jan. 7 by Senator NELSON W. ALDRICH of Rhode Island, chairman of the Finance Committee of the Senate, was published in full in the January number of this MAGAZINE (page 99).

In its original form the bill provided for the addition of $250,000,000 to the present national bank circulation, amounting to $600,000,000, and by an amendment the permissible limit of the new kind of currency was raised from $250,000,000 to $500,000,000, thus giving us a possible total bank-note circulation of $1,100,000,000!

This tremendous increase in the country's volume of paper is to be allowed without any addition to the gold reserves of the banks. By cutting loose from a gold reserve, and tying the note issues to bonds whose supply may be increased almost indefinitely, the banks would at once enter upon the dangerous path of inflation. At present this danger is held in abeyance by the limited supply of United States bonds, on which alone notes may be issued, and by the further restriction of note issues to the capital of the banks. The first of these safeguards is removed by the Aldrich Bill, which makes state, municipal and railway bonds available as a basis for the circulating notes of national banks, and the bill also removes the capital limitation and provides for an issue of notes equal to the capital and surplus.

WOULD FOSTER SPECULATION IN STOCKS.

The inflation which would almost certainly follow the enactment of the Aldrich Bill would be confined chiefly to stock speculation. At present the most effective check upon speculation of this kind is the occasional rise in the rate on call loans, the figure sometimes going above 100 per cent. The currency which the Aldrich Bill provides for is to be taxed at the rate of six per cent. a year, which would permit its issue for speculative purposes. Thus the inflation of the prices of securities dealt in on the Stock Exchange would be encouraged by the Aldrich Bill.

On the other hand, the currency provided for in this bill would be of little or no assistance to the legitimate commerce of the country, for the reason that the rate for commercial loans rarely goes above six per cent., and that being exactly the tax imposed on the new kind of currency, it would not be issued to meet the needs of currency for commercial purposes, but would only be issued when the demand for money or credit for speculative purposes had run the interest rate up to an abnormal figure. The Aldrich Bill, whatever its purpose, would give us a currency of no use to legitimate

business transactions, but of benefit to stock speculators only.

Not a Crop-Moving Currency.

No currency taxed as high as six per cent. can be of any service in furnishing the additional circulating medium that may be required to harvest and market the crops. This tax would, of course, have to be paid by the borrower, and when added to the rate paid for loans, the cost of the new currency would be so high as to make it of no use to farmers and the buyers of grain. To provide for harvesting and marketing the crops is one of the most legitimate functions of banking, and to penalize it with a tax of six per cent. would be aiming a direct blow at the production and exchange of commodities. The extra demand for currency to move the crops is in no sense an "emergency" calling for the employment of extraordinary devices. This demand occurs with unfailing regularity, and its duration and extent can be calculated, in the light of experience, with substantial exactness.

Against the South and West.

This measure is directly antagonistic to the interests of the South and West —sections where there is supposed to be an especial need for additional supplies of bank notes at certain seasons of the year. The banks of these sections hold but a comparatively small amount of the bonds which the bill permits to be employed as a basis of the increased circulation. Moreover, if the banks should buy such bonds as a preliminary to issuing notes, it would not only fail to afford their communities any relief, but would actually aggravate the local distress. A bank would have to buy $100,000 worth of bonds in order to issue $75,000 in notes. Inasmuch as it would have to pay a premium for the bonds, there would be a still further cost to be added to the investment. Thus, instead of adding to the volume of currency in its own locality, a bank taking out circulation under the Aldrich Bill, if it must first buy the bonds, would actually reduce it. On the other hand, if the bank owned the bonds, and hypothecated them for notes, it would be taking that much from the funds held to secure the payment of its deposits, and pledging the securities for other additional liabilities.

Municipal Extravagance Encouraged.

A bond-secured currency of the kind provided for in the Aldrich Bill would encourage the creation of municipal indebtedness, and thus be an incentive to extravagance. It would further add to investments by banks in bonds representing fixed capital, instead of confining their resources to commercial paper, representing a liquid form of assets. Bonds run for long periods, and are subject to rapid and sometimes extreme fluctuations, while commercial paper is either payable on demand or runs for short terms only, its value being also at par, except in comparatively rare cases where the maker fails. Bank deposits being largely payable on demand, it is necessary that the banks, in order to be always in a position to meet their obligations promptly, should have their assets chiefly in the form of short-time paper.

Board of Control Created.

The Aldrich Bill as originally offered placed the regulation of the volume of this new currency in the hands of a board composed of the Secretary of the Treasury, the Comptroller of the Currency and the Treasurer of the United States. By an amendment this power of regulation was lodged in a single individual—the Secretary of the

Treasury. This deprives the Comptroller of the Currency of a large part of his supervisory power over the banks. Furthermore, no board or individual can possibly possess the knowledge essential to determine as to how much currency may be required at a given time. As was very wisely said by the late President James A. Garfield: "There never did exist on this earth a body of men wise enough to determine by any arbitrary rule how much currency is needed for the business of a great country." And yet this is what this board will attempt to determine. It is not inconceivable that such a board would be subject to undue control by the pressure of great financial interests, and the possibilities in this direction would be multiplied by vesting the Secretary of the Treasury alone with this discretionary power.

May Aggravate Hoarding of Cash.

It is by no means certain that a flood of improperly-secured bank notes issued in a real or supposed emergency would have the effect of allaying distrust. Bank notes issued in too great a volume, especially if they are not related to a reserve of gold, and directly redeemable in that metal, may serve to increase distrust and cause a further hoarding of gold and other forms of cash.

Favors Bond Syndicates.

The Aldrich Bill, if it becomes a law, will work in favor of bond syndicates and Wall Street speculation and against the interests of the great agricultural sections of the country, and will further fasten upon our banks the evils of a bond-secured currency. In fact, it would seem to be more accurate to designate this as a bill for increasing the marketability of certain securities than to call it a currency bill.

The National Bank Act was confessedly enacted for aiding the sale of Government bonds, and though the act introduced a wrong principle into our bank-note currency system, it was excused by the emergency then confronting the Government. By permitting the banks to issue their notes, against a pledge of the bonds, they were virtually enabled to force the bonds upon their depositors in the shape of bank notes. If any currency should ever be issued under the Aldrich Bill, the effect would be the same, only the bonds whose marketability would be increased would be those of states, municipalities and railways instead of obligations of the United States. Whatever a Government may find it expedient to do in time of stress to enhance the value of its own securities, no possible justification can be urged for a policy designed to stimulate the sale of municipal and corporate securities.

Other Aspects of the Bill.

There are some aspects of this bill to which it is unpleasant to refer. The whole measure has an appearance of insincerity. It looks like a feint made to confuse opinion and to distract attention from some other plan not yet revealed. Are the promoters of a central bank merely marking time with the Aldrich Bill?

On the other hand, if the bill is intended as a genuine piece of legislation, it bears some features that may well cause grave concern. If the act ever becomes operative it will afford large possibilities of profit to those who exercise control of banking resources, enabling them to purchase bonds through the banks, and the latter can work the bonds off on the people in the shape of bank notes.

By placing the regulation of the emergency currency in the hands of the Secretary of the Treasury a power will

be given to one man that is positively dangerous. Should the Secretary be a man of inexperience in financial affairs, however good his intentions, he would be more or less subject to the influence and control of powerful financiers who would take care to have the emergency currency issued at such times and in such manner as would promote their own special interests.

Unsound in Principle.

The Aldrich Bill is entirely wrong in principle in basing bank notes upon bonds representing fixed investments instead of upon commercial paper representing the liquid assets of the banks. Our financial institutions probably have already in their resources a greater proportion of the first-named class of securities than is consistent with the best interests of commercial banking, and the Aldrich Bill offers them a direct incentive to commit themselves still further in the wrong direction.

High-Handed Methods Invoked.

The implied threat to pass this bill, in defiance of public opinion, to "jam" it through the House contrary to customary modes of procedure—despite the fact that there is no urgent need of currency legislation—will cause general astonishment. It is to be hoped that opposition to the measure may become so strong that the folly of persisting in this determination will be realized by the leaders of the House.

PROPOSALS for insuring deposits in banks naturally suggest the inquiry, What is a bank deposit? The common view, of course, is that a bank deposit represents so much actual money, and that Mr. A., having deposited his money in the First National Bank, should, in case that bank fails, be entitled to receive his money at once without waiting for the slow course of realizing on the assets, and in the end possibly being compelled to receive only a percentage of his claim.

If all deposits in banks represented so much actual money, the question of insuring them would be much more simple than it is under existing circumstances.

Turning to the report of condition of the national banks on a recent date, we find under the head of "liabilities" the item "individual deposits," $4,319,000,000. Under the head of "resources" we find, "loans and discounts," $4,678,000,000. This comparative equality indicates what is well known—that the "deposits" of a bank are largely composed of proceeds of loans. It will be seen from these figures that if a bank were compelled to pay off all its deposits at once it could practically do so if its borrowers would only pay their loans.

The question arises, Why not insure bank loans instead of deposits? If a bank could be sure of the payment of its loans, it could easily meet its deposit obligations. Except in the comparatively rare cases where banks lend on collateral, they can never be quite sure that their loans are safe, even after the exercise of every reasonable precaution. An honest man may suddenly turn out to be a rogue, and then there is the peril of waters, winds and rocks, land thieves and water thieves—in short, all the innumerable chances of accident, disaster and consequent loss.

On the other hand, a depositor has the choice of many institutions of large capital and of known standing. He may pick and choose, and indeed may get along without a deposit in any bank.

This inequality of position between the bank and the depositor would seem to make it just as reasonable for the

banks to demand that a tax should be placed on loans, and a guaranty fund created to insure the prompt payment of all notes at maturity, as that they should be compelled to contribute to a fund insuring the payment of deposits. In either case the insurance would be a protection against the fallibility of human judgment. The failure to meet their loan obligations on the part of borrowers is what makes it impossible for a bank to pay its deposits. Why not impose the tax at the point where this responsibility originates?

An undiscriminating tax on all deposits would be inequitable. The deposits that are the proceeds of loans might well bear the tax, since the depositor has had the advantage of so much credit for use in his business. But if the deposit represents so much actual money put into the bank, the depositor in this instance has not borrowed from the bank but has made a loan to it. Why should he be taxed to insure the return of that loan? His money would be lent out (chiefly in the shape of credits, of course) to borrowers, and why should they not be the ones to pay the tax rather than the dedepositor who furnishes the funds to make the loans?

When the franchise, capital, surplus, undivided profits, dividends, deposits and loans of banks are all taxed, a happy solution will have been found for a problem that now vexes the mind of many a progressive statesman.

THE facility with which bank stock may be bought and sold has been the source of many grave abuses in banking. When a speculator decides that it would be to his advantage to get control of one or more banks, he sets about buying the stock, through brokers or openly, until he has obtained a majority of the shares. He then elects a board of directors who will choose officers to carry out whatever plans he may have formed for exploiting the bank in carrying on his various schemes.

The recent bank runs and failures in New York were caused by the entrance into the management of several banks of men who were considered objectionable. It was the attempt to eliminate these men from the banking field that brought about the catastrophe. As often happens, several institutions that were not under the control of these men became involved in the difficulty.

One of the most notable cases of the wrecking of a bank by a change of management was that of the First National Bank, of Little Rock, Arkansas. LOGAN H. ROOTS, well known as a banker and politician, was president of the bank for many years, and the directors reposed such confidence in him that he practically managed the bank's affairs. So long as Colonel ROOTS remained president, the bank prospered. But a change in control took place, and H. G. ALLIS was elected president. The same trust which the board had reposed in the former president was continued, but not with the same result. ALLIS made large loans to corporations in which he was interested, and the bank soon became insolvent.

The ease with which any one so disposed may obtain a dominating interest in a bank, provided he has sufficient money, leads to the inquiry whether it would not be a wise policy to surround the sale of bank stock with a few practical safeguards. This is a matter which concerns not only the public but the directors and stockholders of banks who may be called on to make good the losses sustained through the operations of the sky-rocket style of financiers who use banks as counters in their gambling games. To keep gamblers

and speculators from obtaining control of banks would prevent mischief far more effectually than the present policy of eliminating them only after they have put the bank in a position where its solvency is endangered.

WHENEVER a panic occurs it is customary to attribute it to speculation, which may or may not be, in all cases, the correct diagnosis of the disease. But admitting that speculation frequently leads to a panic, who is responsible? That many men, perhaps the majority, are prone to speculation is well known, and to alter this almost universal trait in human nature would be a very large undertaking. But speculation can not be carried on without banking assistance, and the responsibility for speculation, and therefore for panics—if it be admitted that panics are caused by speculation—must be shifted from the somewhat indefinite speculator to the banks that furnish the means which enable the speculator to carry on his operations.

That this responsibility for the abuses of speculation is not clearly perceived may be seen from the following extract from an address by ALEXANDER GILBERT, president of the New York Clearing-House Association, delivered before the annual banquet of Group VIII. of the New York State Bankers' Association at the Waldorf-Astoria Hotel, New York city, on the evening of January 27. Speaking of the late financial crisis, Mr. GILBERT said:

"The Stock Exchange was prosperous all the time. The big operators, the pools and the syndicates, were carrying the stocks which they had been gathering for two or three years at advancing prices and in the face of ruinous money rates. You can recall the whirl and the buzz and the bewildering sensations in the fall of 1906 as the ticker reeled off its story of advancing prices in the face of ruinous money rates, 50, 75 and 100 per cent. for money—and all the time unseen hands were manipulating the stock market and prices went up higher and higher."

We repeat that this stock booming could never have reached the dimensions it did, nor could the prices of securities have been abnormally inflated as they were, without the help of the banks.

Is it not a confession of incompetence —or of something worse—to admit, as the banks must admit, that they allowed this rampant speculation to be carried to a point where it endangered their own safety and threatened destruction to the whole credit fabric of the country? As President GILBERT said, it can not be asserted that Stock Exchange speculation was the cause of the panic, though it undoubtedly was a contributory cause and greatly aggravated a situation already sufficiently bad.

We have not that degree of aversion for stock speculation that the Arch-Enemy of mankind is said to entertain for holy water. Within certain limits speculation is harmless, and may even be beneficial. But when it is carried to the extreme, as it has been here in New York for some years, it becomes a menace to business stability. The sudden and enormous shrinkage of prices alone causes widespread disturbance, often verging on panic.

A bad currency system and the practice of redepositing bank reserves make it easier for the banks to aid in the speculative orgy. But, after all, are these excuses not more or less puerile? No bank that is properly managed will allow a pernicious currency system to taint its portfolio with questionable loans, nor will it engage in any operations which may be fraught with dan-

ger to itself or to the community to which it also owes a duty. And so far as the redeposited reserves are concerned, the city banks eagerly bid for them and pay interest on them so that they may have additional funds with which to feed the monster of speculation.

MR. GILBERT, in the address above referred to, made a strong plea for conservative banking, of which he himself is a well-known representative. On this point he said:

"Well, we have learned some things. The panic has not been in vain and perhaps it is worth all that it has cost. We have learned some things which we thought we knew before, but which we must have forgotten. The good, old-fashioned conservative axioms which had been handed down to us from generation to generation had nearly been swept aside by the impetuous invasion of modern ideas which came in with the beginning of the new century; but one thing we have learned which we must never forget and which we must take advantage of now, namely, that there is no new modern way of doing the banking business which is any improvement on the old-fashioned conservative way handed down to us by our fathers. A man may boast himself of being a modern banker in contradistinction to the old-time banker with his old-fashioned conservative humble views. He may, by paying interest on deposits, run up a deposit line of twenty or twenty-five times his capital, and he may expand his loan account in proportion upon securities not wisely selected, not selected so much with regard to quality as with regard to profit; but such a man has only to pass through one such panic as 1893 or 1907 to learn that he is not doing what is best calculated to promote conservatism in the banking community."

This is an indirect condemnation of the methods we have been criticising. The conclusion of the matter would seem to be this: That the associated banks of New York are to be commended for trying to eliminate speculators from the control of individual banks; that their work would be still more laudable if they would at once put in force such rules among members as would prevent the banks collectively from fostering that speculation which, in individual instances, is deemed so reprehensible.

ONE of the popular magazines for February contains a tear-compelling article by an ex-Great Reformer on "Why I Gave Up the Fight." This self-constituted antagonist of "The System" gives up because—"the people grinned!" They refused to regard the white feather which he now shows as an oriflamme of war to be blindly and courageously followed wherever it might lead. When the plume was frantically waved and the shouts of their leader became more and more vociferous, they refused to get excited, but stood by—"and grinned!" Therefore are they "gelatine-spined shrimps," "saffron-blooded apes."

This disposition of Americans to grin at the antics of self-constituted reformers is one of the clearest signs of national sanity. The people know well enough when to be serious, and they very quickly "size up" a reformer. Because, in this instance, they have merely grinned, it may not be entirely safe for "The System" to be lulled into a position of security. The grins may have been provoked by the antics of the reformer, not by indifference to real abuses.

Great leaders are not so easily vanquished. It is even suspected, in this case, that instead of the people being

"spineless shrimps," the shoe is on the other foot. Is the Great Reformer, after all, only a lath painted to look like iron? It must be that he is pigeon-livered and lacks gall to make oppression bitter, or long before now he would have fatted all the region kites with "The System's" offal.

Reformers come and go, but the influences making for the betterment of the conditions of human existence move steadily, irresistibly forward. They are unwearied and patient—never in a hurry, knowing they can well afford to wait. Those who are worthy to aid, however humbly, the progress of these influences—in so far as they may be either helped or hindered—have no concern for popular indifference or contempt. They accept defeat uncomplainingly. To have wrought nobly is for them sufficient reward. They know that the event is in other hands.

SECRETARY CORTELYOU, in response to a resolution of the Senate, presented to that body on January 29 a defense of his course in endeavoring to relieve the monetary strain during the recent panic. The Secretary contends that his issue of Panama bonds and of three per cent. certificates of indebtedness did not violate the law. Possibly no court would decide otherwise, since the executive department of the Government is vested with a large amount of discretion. After all, it seems to be a matter of conscience. If Secretary Cortelyou believed, despite the fact that there was over $200,000,000 in the banks belonging to the Treasury, that it was "necessary" to sell bonds to procure funds to build the Panama Canal, instead of withdrawing the funds from the banks, his discretion can not be questioned. As a matter of fact, however, the bonds were issued to stimulate the issue of national bank circulation, because Secretary Cortelyou, contrary to most men who have given the subject any serious thought, believed that such stimulation was needed.

Again, if the Secretary thought that despite this large Treasury balance with the banks it was "necessary" to borrow money with which to meet current expenditures, his peculiar exercise of executive discretion can hardly be questioned. Nevertheless, the fact remains that these certificates were really issued, not to procure funds with which to meet current expenditures, but because the Secretary could not, or dare not, withdraw the funds of the Government on deposit with the banks. With these explanations, it ought to be very clear why the Secretary can excuse the issue of bonds "for canal purposes" and the issue of the debt certificates "to meet current expenditures."

His apology for his course from a financial standpoint is less open to criticism. The Secretary very justly says that while the situation was so strained, and with the banks, merchants and others doing their utmost to relieve the tension, it would have been unwise for the Treasury to have pursued an opposite course by withdrawing funds from the banks and thus aggravating the stringency. Had he taken that course he would have been censured, and not without reason.

But the Secretary neglects to state what is historical: That the conditions which bred the panic were fostered—if not created—by the policy of himself and his predecessor in pouring funds into the money market, in artificially stimulating bank circulation, and thus promoting that wild speculation which helped bring on the crash and increased its severity.

Mr. Cortelyou, in the brief time he has held the Treasury portfolio, has

had a thankless job. His appointment to the office was regarded by many of the friends of the President as a monumental mistake. That feeling has grown with time. Even for a man who has a large experience in practical finance, the post of Secretary of the Treasury is no sinecure. A novice in financial affairs is pretty sure to find the position an uncomfortable one in such seasons as that through which we have lately passed.

While Secretary CORTELYOU has not shown any capacity for administering the Treasury Department beyond what might have been expected at the time of his appointment, we are not disposed to blame him for the lack of wisdom displayed in the recent panic.

The fact is that the Secretary of the Treasury is attempting the impossible —the regulation of the money market. When the law takes this burden from his shoulders much of the reason for the present criticism will disappear. Long custom has made the Secretary think himself a much greater man than he is —greater, indeed, than any man can be.

IN a paper on "Currency Reform" in the December number of the "Journal of Political Economy," Professor J. LAURENCE LAUGHLIN, of the University of Chicago, says:

"To allow the banks to increase their own evidences of debt will not increase their reserves of lawful money nor their ability to lend."

By "evidences of debt" Professor LAUGHLIN means bank notes. We do not believe his statement to be entirely correct. It is not only conceivable but highly probable that the increase of bank notes would displace an equal amount of legal-tender money in hand-to-hand circulation, and that a considerable part of the money so displaced would find its way into the banks where it would be used for reserve purposes, thus enabling the banks to increase their loans. And, furthermore, a bank that could increase its notes, under a proper system of issue—that is, without first having to buy bonds costing more than the notes it is permitted to put in circulation—would certainly be able to increase its ability to lend in all cases where the borrower preferred to take notes instead of book credits.

COULD the country's banking reserves be effectually utilized in times of panic, much of the disaster incident to these periods might be avoided. Bank reserves are like the reserves of an army—of but little use unless available at the point of attack. But with our scattered independent banks there are so many points of attack that any effective concentration of reserves with a view to their employment when and where needed has been difficult. The trouble arises from the fact that every bank, at a time of panic, constantly stands in fear of attack and acts in accordance with its fears. The reserves of the banks are thus scattered to the four winds, but the attack may occur in one locality only, or at most in but a few places. Undoubtedly, in the late trouble, if New York could have held its reserves in hand, or if it could have secured help from other centers where there was no distrust, the panic might have been checked at its outbreak and without resorting to the costly and questionable expedients that were employed both by the banks and the Government. What we actually saw was this: New York—which was practically the only city where a dangerous weakness in the banking situation developed—struggling to meet the demands of frightened depositors in some

of the local banks and trust companies and at the same time trying to respond to the demand for cash from all parts of the country. In reality events proved that New York was the particular point that stood in need of help, and yet it was subjected to extraordinary demands on the part of banks that took counsel of their fears but were not in actual need of assistance. These demands greatly aggravated the situation in New York and no doubt multiplied the ill effects of the panic many fold.

No one questions the right of a bank to recall its redeposited reserve at any time. When a general panic seems imminent, it would take great courage for a banker to do otherwise. Yet it is equally clear that this practice of withdrawing reserves from points where there may be urgent need for them, only to lock them up for contingent uses, is a fatal weak spot in our banking system. That is the point where, in time of panic, our banking system fails, and where it must continue to fail. This being so, what is the remedy?

SOLVENCY being assured, there is no reason why every bank in the country should not stand behind a bank that is subjected to a run. The question of solvency can be determined only after careful examination. This is being provided for already by a number of the clearing-houses of the country, and when the practice is extended and when all banks in a reserve city become members of the local clearing-house, relief should be swift and sure for any bank that may be attacked by frightened depositors. Bank runs that are met by prompt payment of cash, to any extent, rarely last long.

If this local aid which the clearing-houses can afford were supplemented by co-operation among all the clearing-houses of the United States, it would hardly be possible for the country to go through such a childish exhibition of fear and panic as has lately been witnessed.

The Clearing-House Section of the American Bankers' Association might, it is submitted, carefully study this question, which is at least as important as the problem of whether the charge for collecting out-of-town checks shall be one-eighth of one per cent. or only one-tenth, and whether Hoboken and Kalamazoo shall be in the free zone while Skaneateles and Punxsutawney must pay.

GOVERNMENT regulation of the railroads was adversely criticised in an address by ELIJAH W. SELLS at the banquet of certified public accountants of New Jersey at Newark on the evening of January 20. He said that in the nineteen years since the passage of the Inter-State Commerce Act the railway mileage had increased only forty-nine per cent., while in the preceding nineteen years the increase had been 253 per cent. To show that the act had been injurious, he proceeded: "Note now the figures showing the development of businesses which have not been hampered by that sort of Government regulation which hinders their management and frightens their investors. National and state bank deposits increased from $1,737,000,000 in 1888 to $6,941,000,000 in 1906, or in the enormous measure of 299 per cent.," etc.

This selection of the banks as representing a kind of business unhampered "by that sort of Government regulation which hinders their management and frightens their investors" does not seem to have been particularly felicitous, seeing that the banks, both national and state, are probably subject to a more

rigid governmental control than any other class of corporations.

Perhaps the fact that the banks have flourished under such control while the railways have languished may be explained when we remember that the banks have accepted and even welcomed Government regulation of their business. They might have taken an opposite course, and thus aroused public hostility, as some of the railways have done, but they adopted a more diplomatic policy, and we think a wiser one. They recognized what railway and other corporations do not always see, namely, that the good will of the public is a most valuable asset for any business whose prosperity depends upon public patronage. Even where a monopoly is enjoyed by a corporation, it can not afford to set the popular will at defiance, for if the people think they are not being fairly treated they will find a way of obtaining redress. Politicians have frequently sought to win votes by denouncing the banks, but these attempts to stir up prejudice have not met with much success. It is quite probable that if the railways had submitted a little more gracefully to the policy of public regulation, they would have disarmed popular prejudice and found it easier to obtain a modification of any harshness in the existing laws or in their administration.

DIRECTORS of banks who neglect their duties, through ignorance, would not be troubled much if the doctrine laid down in a Canadian legal decision, reported elsewhere in this number, were made universally applicable. In excusing the directors who were deceived by the cashier, the court said:

"The directors had no reason for doubting the fidelity of Johns (cashier) up to the final disclosure of his unauthorized and fraudulent conduct, and they can not be held responsible for failing to detect his misrepresentation; in fact, not one of them, as appears from the evidence, even if they had examined the books of the bank, knew enough about the mode of keeping them to enable them to do so."

We can not, of course, presume to criticise the dictum of the learned judge from a legal standpoint. But great harm would result if this doctrine were made universally applicable. Certainly, if the directors did not know enough about bookkeeping to get a clear idea of the bank's condition from an examination of the books, it was their duty to employ some one who could have made the books intelligible to them. For the directors to place a blind reliance in the cashier, and then to be relieved of responsibility for his acts, was in violation of the moral obligation every director assumes, whatever it may have been from a legal point of view.

THOROUGH bank examinations are provided for in a plan proposed by A. L. DARROW, cashier of the Fort Sutter National Bank of Sacramento, Cal. Mr. DARROW's plan, in brief, is to have the bank examined four times a year by four different committees, chosen from among the bank's stockholders. Such an examination, he holds, would be more satisfactory than if made each time by the same committee. He also favors the publication of these examinations for the information of depositors.

If examinations were made by committees of stockholders, acting independently of the directors, the frauds which the latter sometimes conceal would be brought to light and the conditions leading to failure could be checked as soon as discovered. Mr.

DARROW's suggestions looking to examinations of this character are therefore entitled to careful consideration by all bankers who desire to reduce the chances of failure to a minimum.

The proposal to publish the examinations—which has been made before —though possessing some merit, is not without serious drawbacks. It is one thing to let stockholders quietly know of any defects in the management of their bank, or of any conditions tending toward a lessening of its solvency, but quite another thing to make those facts public. It may be urged, of course, that if the fear of having these things made public were held up before bank officials as a penalty for the infraction of the principles of sound banking such infractions would be comparatively unknown. This might be true; but, on the other hand, the chances are that some trivial fault in the bank's management, if made public, would too often be made an excuse for starting a run, thus unnecessarily injuring a solvent bank and doing widespread harm. A great many shortcomings in the management of a bank may be corrected without proclaiming their existence from the house-tops.

SOME differences between banking as it is practiced in Canada and in the United States have been emphasized by the recent liquidation of the Sovereign Bank of Canada.

A correspondent of the New York "Evening Post," writing from Montreal, states that the banks belonging to the Canadian Bankers' Association have assumed a tacit obligation to do everything in their power to prevent Canadian banking suffering any discredit with the public in the Dominion, or in the eyes of outside countries.

The Canadian Bankers' Association is an incorporated body, and on the failure of a bank is empowered to take charge of its affairs. Neither the American Bankers' Association, the State associations, nor the clearing-houses in the United States have any such extensive powers. It might be better if they had. The bankers' associations and the clearing-houses, through their national and local organizations, could if they chose exercise a beneficial supervision over the banks of the United States. By far too great an extent the banks of this country seem not so much concerned about reproach attaching to their business as to their own institution. Manifestly, were this spirit universal it would have the desired effect of raising the whole standard of banking. But with so many banks, representing good, bad and indifferent management, this ideal is unattainable. Too often the banks regard their own interests so narrowly that they lose sight of the harm they must suffer by an injury done to one of their competitors.

The bankers' associations and clearing-houses of the United States might profitably study the lessons to be learned by a proper regard for the esprit de corps of banking as shown by the banks of our northern neighbor.

TRUST companies are probably in the banking business to stay, and any attempt to force these institutions to confine their transactions to purely trust company functions will fail. They must naturally expect to be compelled to keep the same reserves in their banking departments as the banks keep, and they must also restrict their banking business to what are recognized as legitimate lines. Within these lines there will be found such latitude that the

trust companies need not complain of having their business circumscribed.

As a matter of fact some of the trust companies have gone into promoting and underwriting to an extent that has, in some cases, entangled their deposits with enterprises from which banking should be kept free. Possibly the trust companies, from the very form of their organization, have felt that they were not bound to observe the same regulations as have been imposed upon the banks. But as it has become apparent that a trust company is only a bank with certain other functions added, it will be necessary for these institutions to be guided by the same rules as have been found essential to the safe conduct of commercial banking.

The trust companies of the United States have made an enviable record, which they stand in some danger of losing if they do not speedily adopt measures to correct weaknesses that have been developed in the course of recent experiences. This fact is fully recognized by the leading trust company officials, and they have frequently pointed out the necessity of putting prudent checks upon the operations of the more ambitious companies.

BRANCH banks are evidently not regarded with special favor by the Superintendent of the New York State Banking Department, who recommends in his last annual report that whenever a bank or trust company opens a branch office the capital shall be increased by $100,000.

There is a growing feeling that the capital of the banks and trust companies, generally speaking, does not bear a large enough ratio to the deposits to meet the requirements of safety, and therefore no objection can be made to a recommendation that seeks to remedy this defect.

At the same time, the adoption of this rule would render nugatory one of the essential features of branch banking—a multiplication of offices without any increase of capital. In other countries where banks have branches, the parent bank usually has a large capital, and it is not considered necessary that the capital should be increased as the number of branches multiply.

STUDENTS of monetary and banking subjects will hear with satisfaction that the American Bankers' Association has authorized the secretary of that organization to collect a library of financial literature. The field from which to choose a collection of books of this character is none too large. There are, it is true, many volumes in existence dealing with money, but comparatively few of them have any value except as curiosities. In the domain of banking literature, the books are less numerous but the quality is higher.

Some of the volumes that, apparently, should constitute the foundation of a financial library are: complete files of the reports of the Secretary of the Treasury, Director of the Mint, Comptroller of the Currency, and the reports of the supervising officers of banks in all the states and territories. Bound volumes of the proceedings of the state bankers' associations, the Canadian Bankers' Association and the journals of the various bankers' institutes, and also complete files of foreign financial publications would be of permanent value. A collection of the state laws relating to state banks, trust companies and savings banks would also be highly serviceable to bankers and financial

students. Such a collection will be found very difficult to make. For instance, the banking law of New York is scattered through a number of statutes dealing with various subjects—in addition to the banking law proper, there are provisions relating to banks in the statutory construction law, the negotiable instruments law, the stock corporation law, and in the penal code. A similar confusion doubtless exists in most of the states. But while this confusion of laws makes the task of collecting such a library a difficult one, it is an added reason why such a collection should be made. There ought to be at least one place in the United States where all the banking laws of the country may be found.

As banking approximates more closely to a learned profession, having its principles and laws to be studied like those of medicine and law, the need for studying these principles will become more urgent. In providing the means for supplying this demand the American Bankers' Association has exercised wise forethought, and manifested a progressive spirit.

THE American Bankers' Association has again brought forward its plan of currency reform, which will be urged upon the attention of Congress. This measure, which has been fully explained in previous issues of the MAGAZINE, while stopping short of a comprehensive reform of our bank-note and currency systems, may for that very reason stand a better chance of success than Mr. FOWLER's more elaborate plan.

The suggestions of the American Bankers' Association merely contemplate that the country shall now take a guarded step in the direction of a credit currency. Doubtless after the first experience, it will be seen that in time the bond-secured circulation may be discarded altogether and its place taken by the credit notes. The plan really represents the well-known conservative tendencies of the banking fraternity. Of course, students of the subject know that a credit currency, under proper safeguards, can be made absolutely safe; but the banks and the people would like to be "shown."

The multiplicity of plans and suggestions is very confusing. Essentially, however, it will be found that the contest is between those who believe in a bond-secured currency, the bonds to be lodged with the Treasury or other depository, and those who are in favor of permitting the banks to issue notes on their general credit, further secured by a gold reserve and a safety fund. The "emergency" currency advocates will also demand a hearing.

In view of the conflict of opinion, it might be best to postpone action for the present, referring the subject to a commission of experts. We do not fear the presentation of this matter to the people solely on its merits. There are those who deplore the public discussion of currency and banking questions as tending to unsettle business. But a far graver menace is to be found in hasty and ill-considered legislation based upon inadequate information. If a thorough campaign of education is carried on among the people, they will let Congress know, in unmistakable terms, what kind of currency legislation they desire. Besides, such a campaign would no doubt lead to a better popular understanding of matters now somewhat obscure and thus contribute, to an important extent, in shaping public opinion in favor of sound principles with respect to bank notes and currency and banking in general.

THOSE who are advocating a central bank for the United States because France, Germany and Great Britain all have such an institution will not get much comfort from the remarks made by Sir FELIX SCHUSTER, president of the London Institute of Bankers, at the meeting of the institute on December 18. Among other things, Sir FELIX said:

"Every nation now contemplates the banking systems of other countries, and considers whether they can not improve theirs by imitation and so on. I think this is a mistake. We must see what others are doing, but it is absolutely useless to try and introduce a system into one country simply and only because it is successful in another country. The more I think of it, the more I am convinced that each nation must find its own solution, must find the banking system that is in accordance with the habits and customs of its own people and its own financial and economic position. A stereotyped banking system all over the world would, I am convinced, be a mistake. Each nation, as each individual, must look after its own business itself."

Sir FELIX SCHUSTER, from his position as a banker and his keen observation of affairs, is perhaps as well qualified to speak on this question as any man on either side of the Atlantic. He has most clearly seen what our advocates of a central bank have overlooked, namely, that all the people of the world do not have the same customs and the same institutions, and that the existence of these differences is not a mark of inferiority.

A NEW FEATURE.

THE new building of the Cleveland (Ohio) Trust Company has a whispering gallery. It is a popular feature, especially with the young men and maidens in the company's employ.

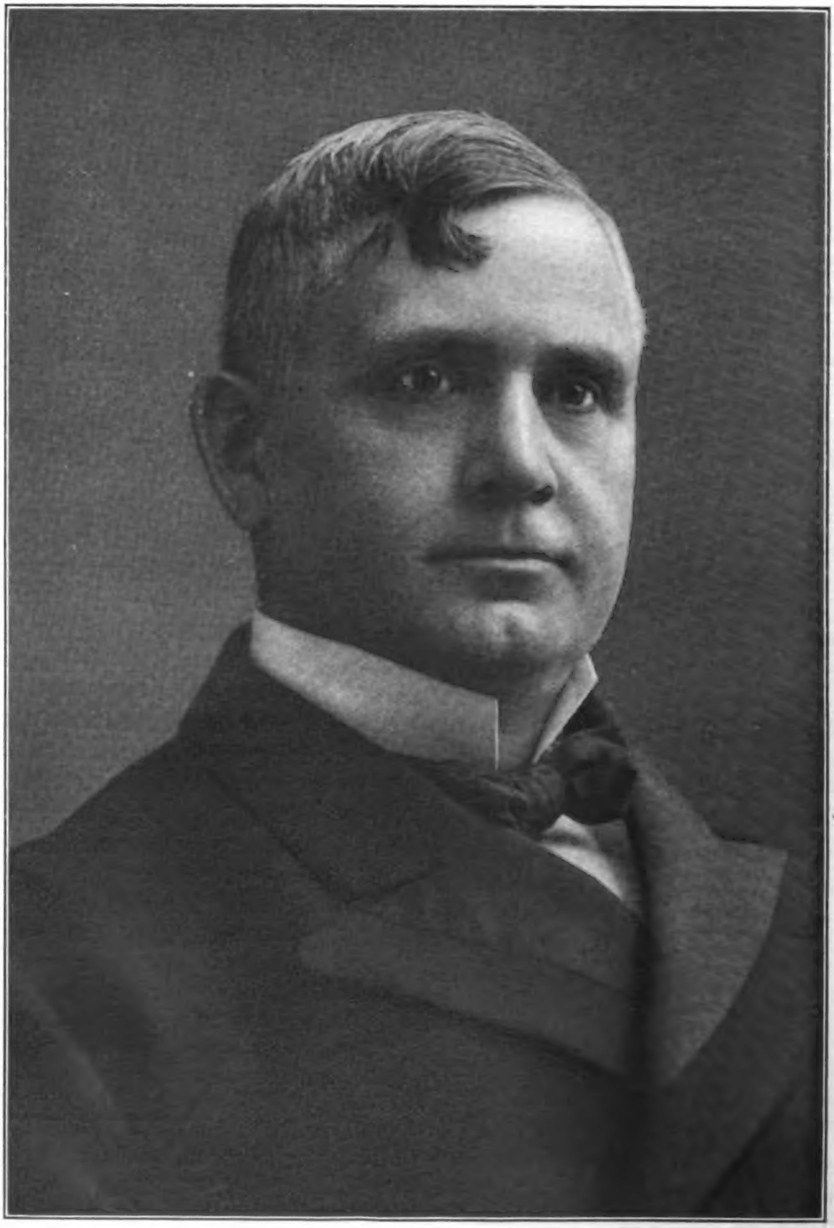
AMERICAN BANKERS' ASSOCIATION.

THE fine offices of the American Bankers' Association, Hanover Bank Building, New York city, have undergone radical changes during the past few weeks, under the administration of the new secretary, Fred E. Farnsworth, with the approval of Lewis E. Pierson, chairman of the executive council, and members of the advisory committee. They are now complete in every particular and modern in every respect, and thoroughly adapted to the needs of the association, and in keeping with its character and dignity.

The general work-room has been subdivided, making a private office for Secretary Farnsworth and Assistant Secretary Fitzwilson. This leaves the large general office for the exclusive use of the members of the association and visitors. This latter room has been fitted up for a library and reading-room where will be kept on file the financial papers of the country. A desk has been provided for members which can be used for correspondence, and the association stenographers will be at the disposal of members who desire to send out letters when visiting the rooms.

A new visitors' register has been prepared so that all visitors are expected to register, and members visiting in New York can have their mail and telegrams sent in care of the office. They can also have use of the association telephone when they wish to communicate with the banks or their friends; or, in other words, when members of the association visit New York, they will find a comfortable place to spend a portion of their time, if they desire, and it is hoped that they will avail themselves of these privileges.

The offices have also been equipped with modern, up-to-date office appliances, thereby enabling the present force to expedite the work of the association.



HON. CHARLES N. FOWLER,

Chairman Banking and Currency Committee, House of Representatives.
Leader in the Contest for a Sound and Scientific Banking and Currency System.

THE FOWLER BILL.

Sound in Principle.—Probably Attempts Too Much.

THE bill introduced in the House by Hon. Charles N. Fowler was published in full in the January number of this Magazine (page 100).

Its main feature consists of the substitution of credit bank notes for those now secured by United States bonds.

Commercial Paper the True Basis of a Bank Circulation.

As often pointed out in these pages, commercial paper—that is, drafts drawn against products on their way from the producer to the consumer, or the promissory notes of farmers, manufacturers, merchants and others—is the true form of security for a bank circulation. Under proper regulations there is no good reason why a bank should not exchange its circulating notes for such security. It is the only form of security which is universal, and the producers of cotton and grain would be especially benefited by making their notes available as a basis of bank-note circulation. As to the safety of such a note circulation, if based upon a further security of a gold reserve of 25 per cent., and with a proper system of redemption, there can be no question. The report of the Comptroller of the Currency for 1906 shows that since the beginning of the national banking system the national banks which have been placed in the hands of receivers had issued a total circulation of $27,628,108. During the existence of the national banks they have paid in taxes on circulation, $98,730,906. So that if this tax had been applied to the payment of notes of failed banks—a very proper use for it—there would have been a surplus, after paying all the notes of failed banks, amounting to $71,102,798. This is on the assumption that the notes of the failed banks had been secured only by the tax. As a matter of fact, however, the national banks that have failed have paid 75 per cent., or over, of the claims against them, so that the amount of notes to be paid out of the fund derived from the tax on circulation, if there had been no bond security, would be reduced to $6,907,027, and the surplus left over after paying these notes out of the fund mentioned would be increased to $91,823,879.

Method of Redemption.

This is worked out through a system of redemption agencies under a plan that seems calculated to effect the desired end. It has long been realized that the provision of an effective system of redemption constitutes one of the most difficult problems in changing to a credit currency. In Canada the redemption machinery is supplied by the branch banking system. But since the introduction of that system here is at the present time an impossibility, Mr. Fowler was compelled to provide a substitute for it.

Insurance of Deposits.

While this is a principle to which we can not give assent—on grounds frequently stated in these pages—it is at least a debatable question whether it would not be expedient to provide by law for the safety of all bank deposits. By incorporating this provision in his bill, Mr. Fowler will secure for the proposal a full discussion.

Extending the Scope of National Banks.

National banks are authorized by the bill to transact a savings bank business and to execute trusts. Many of these institutions now have savings departments, and this would merely recognize and legalize a practice that already exists. By authorizing the national banks to execute trusts they would not be subject to so much competition from trust companies. The as-

sumption of all functions exercised by trust companies is hardly compatible with purely commercial banking.

Retiring the Greenbacks.

While the greenbacks have ceased to be a disturbing element in our currency, there are substantial reasons why they should be converted into gold certificates. This could be done without incurring any debt, and in a manner to avoid a disturbance of the volume of currency.

Sub-Treasury Methods.

An important feature of the bill is that providing for the deposit of Government receipts from day to day in the banks, and the use of checks by the Government in making payments — reforms that are obviously demanded.

An Omnibus Bill.

Most of the criticism aimed at Mr. Fowler's bill, by those who approve its main features, is that it attempts too much. But it at least brings forward important proposals for banking and currency reform, and places them in definite form so that they may be fully considered.

Sound in Principle.

In its principal features — the provision for a credit currency, retirement of the greenbacks and bond-secured notes, the use of common-sense methods in handling the Government receipts and disbursements — this bill is undoubtedly sound. It deserves to be carefully studied throughout, for it is not a makeshift measure, but a serious and honest effort to place our banking and currency system on a safer and more scientific basis.

FOR A CENTRAL BANK.

On January 15 Representative Fornes of New York introduced a bill to establish a central bank in Washington to be known as the United States National Bank of America. The measure stipulates that the bank shall have a capital of $100,000,000, of which the Government is to purchase three-fifths of the capital stock, the money for which is to be derived from the sale of $60,000,000 gold bonds. The remainder of the stock to be sold to national banks at not less than par, and the premium, if any, to go to the central bank.

The bank is to have twenty-five directors, three of them to be the Secretary of the Treasury, the Comptroller of the Currency and the Treasurer of the United States, and the other twenty-two to be elected by the stockholders, each share of stock to have one vote. They are to be chosen for two, four and eight years and thereafter for six years, and are to meet at least once in ninety days. Those other than Government officials are to receive salaries of $5,000 a year each. The bank is to participate in no syndicates or underwriting schemes, and no director is to be permitted to borrow from the bank.

The bill provides for the issue of $100,000,000 of demand notes, payable in gold coin. Any chartered commercial bank with a surplus of not less than twenty-five per cent. of its capital stock by the deposit of approved securities may have these notes allotted to it up to the amount of ninety per cent. of the guarantee and the payment of a tax of one-eighth of one per cent. and interest at the rate of four per cent. The interest rate is graduated according to the amount of notes taken out.

By a vote of twenty of the directors the amount of notes issued by the central bank may be increased to $400,000,000. The bill provides that the bank shall pay a dividend of four per cent. to the stockholders and any earnings in excess of this are to go to what is known as a surplus gold fund. The charter of the bank is for fifty years, beginning September 1 next, and at the expiration of a half century may be renewed by act of Congress.

OBJECTIONS TO GUARANTEEING DEPOSITS.

By Charles W. Stevenson.

OWING to the recent panic, there is much discussion of a law guaranteeing deposits. The idea seems to prevail with some that this will bring out the hoarded money at once, if enacted. In the State of Oklahoma a law has been passed to this effect. Other states are strongly agitating the question. With some bankers there is a belief that such a law will prevent panics. Many depositors, uneasy over recent conditions in the financial world, believe it will make their money perfectly safe. It is unfortunate that an idea so directly opposed to the spirit and well-being of the bank should find favor at such a time. It were much better considered in times far removed from the recent unpleasantness.

Trust the Basis of Banking.

In the first place, the law strikes at the very being of the bank. Trust is the basis of all banking and ever will be. Since the time of the earliest banks of deposit, before loaning was a part of the business, trust—confidence in the ability and integrity of the banker—was the prime requisite to all banking. It remains to-day the only legitimate bid for popular support. After these questions are settled in the mind of the would-be depositor, then are considered capital and surplus, the stockholders' liability, the laws governing inspection, kinds of security, and all the safeguards which time and experience have demanded in the ordinary course of business. But now comes a measure which will put all banks on a par. Favoritism will be the only reason for seeking one more than another, since all being guaranteed by the state or nation, will be good. This is putting a premium on incompetency and rascality, since experience and standing will count for nothing in the scale.

Banks cannot exist and perform their present functions without this original trust. It must obtain between the depositor and the banker, as it does between the banker and the borrower.

Again, to impose this tax upon ability and honesty is a burden. The very thing to be desired in the business world is made the basis of the state's interference, that stability of business conduct which invites confidence. And at once it must be seen that when all banks are alike, regardless of their capital invested, or their personnel, there will be no particular confidence imposed in any of them, the real seat of the confidence being transferred to the state or nation.

To admit the state—and the term will be used in its broad sense, meaning the government, either state or national—to this control of the business, is to pave the way for a complete interference with its natural demands, based on the wants and needs of business, to which it now automatically responds. To do this without ownership is to introduce the same vicious principle that is at the present time, in many quarters, making capital odious to the people who cannot make the proper distinctions in matters of the kind. Banking is based wholly and solely on the needs of business. It is the servant of all trade. It must be allowed that mobility which will make it amenable to the wants and needs of mankind through commerce. To allow too much state interference will destroy in the end this flexibility.

Such a Law Unnecessary.

If, as the statistics show, the law is admissible, because there have been so few failures that a tax will not be burdensome, then it is an unnecessary law, and mixes government with business, which should be kept separate as far

as possible. The statistics relied on to demonstrate the feasibility of the law deny its right to enactment.

The point of constitutionality has been raised against the law, and must eventually be tried out in the courts. It is certain that the compelling of bankers to make good their promises to pay to their customers, by insurance at the hands of the state, is an innovation, and works a hardship and a discrimination as compared with other kinds of business.

Bankers who have been led by the recent stress to invent some way to keep the people from getting scared believe that the passage of such a law will help them to look after the methods of rival bankers. It is a fallacy. True, there are many measures, foreign to the insurance idea, which are likely to be made part of the same law, measures which are intended to perfect banking methods, but at last it must be the state, under political control, and not the bankers of a state that will enforce these provisions. And if they were enabled to do anything, it would be by a system of spying and jealousy, which, in itself, is reprehensible as affecting a business perhaps the most honorable in its conduct of any.

A Tax on the Borrower.

The tax, if levied, is proposed to be placed on the average daily deposits for a year, and assessed against the capital stock. Yet at the same time it is a tax on the borrower, since the capital stock will never be allowed to become impaired, and the bank has no source of income save the interest exacted on its loans, or practically none.

When the banker takes care of the depositors' money, safeguarding it against burglars, standing ready to pay it on notice by check (save perhaps in the unusual and unpreventable conditions of the past few months), he discharges his obligation for the use of that money. But in addition to this he hires the money, rents it from the owner, and therefore when he pays an extra sum to insure his own promise to pay, backed by his capital and surplus, he gives something for nothing.

At the present time the proposed law is an undigested one; its rightful provisions have not been thought out; it is the creature of a condition, which, as will be shown, it cannot cure. For this reason in practice, as well as in principle, it must prove inadvisable.

To stimulate the need for state inspection by sundry requirements without providing adequate means to carry this on, is sure to be one effect of the law. The insurance fund is for the benefit of the depositor. But the fees for state inspection must come out of the banks or out of the general revenue fund. It is safe to say that here there is antagonism.

Will Not Stop Panics.

The main reason offered, however, for the enactment of such a law is that it will stop a panic. The fallacy of this is apparent when it is understood that a panic is a lack of confidence in business conditions, and their immediate effect on banks, that is widespread. As there are three times, and perhaps in too great prosperity as high as five times, as much money on deposit as exists in the country, the impossibility of the Government undertaking to pay depositors in full at a given time is clear. Therefore, if this cannot be done, men will rush to the bank in a scare, just as they have been doing, doubting, rightfully, the ability of the Government to make good under any guarantee deposit law.

Again, banks deposit with banks, and when money is hoarded there occurs a situation such as we have lately witnessed. The Government insurance fund, being invested in bonds, would not be in available cash, and therefore the anomaly of a Government selling its bonds in a market for cash, when there is no cash to be had, would be witnessed. Good bankers estimate that in a panic, if there could be no limited payments, no cashiers' checks and clearing-house certificates, at least one-third of all the banks must fail. At this

point the insurance fund would be of no avail. Unless it be as large as the deposits, an absurdity, and in cash in vaults, an impossibility. Therefore, the panic will come, being brought about by causes independent of banks, and the insurance fund would not stop it.

Creates Confusion.

The banking business, being one great whole, all banks being intimately associated in their mutual trustfulness of each other and in their manner of doing business by drafts and checks, there cannot be a law as vital as this one, made by a few states, without creating confusion. If made by the nation and not by the states, the same result ensues. At present there is a fear that one state will lose deposits to another if a similar law to the one enacted in Oklahoma be not passed. This is contrary to the common-sense of banking. All the business accounts will stay at home, because these are the basis, to a large degree, of accommodations. The savings accounts, after being satisfied as to security, will seek the largest rate of interest. There need be no fear that deposits in any large quantities will seek a few states of the Middle West simply because there has been enacted an insurance law. But anything that adds to the confusion of the banks, they being welded together by the needs of business into one chain, must be detrimental to their good work.

Recklessness Encouraged.

That there will be recklessness in the administration of the bank's affairs is inevitable. The bank will no longer stand on its own merits. It will rely on the state guarantee to give it standing. It will, naturally, in the hands of overzealous men, or of men who are not honest, be given to reckless loaning, and mainly because the opportunity will be greater. Officers will take their chances in getting past the inspectors with loans that will pay, or loans that will make money for themselves. And if there ever is a time when the floating of corporations out of money borrowed from the bank will be prevalent it will be under this system. There is no need to say that inspection which all the time is inadequate, and must largely remain so in the nature of things, will prevent this. It will not. There will be wildcat banking! There is sure to be a set of men take advantage of the business, who, if compelled to stand on their own merits, could not attract business. Conduct will no longer be the main dependence. Any man can charter a bank; and after it is organized he will be the ward of the state, no matter what his qualifications or his capital. To say that this state of affairs will not prove detrimental to stable banking is to belie not only the ordinary tendencies of men in trade to grow careless, but to deny that the rascal will not strive every time he can to hide behind the law.

The State Responsible.

The principle of state guarantee must work against the proper regulation of reserves. The experience of banking through long years as to what is the proper amount of cash to keep on hand to meet ordinary calls is set at naught by the fact that just so the bank can get through there is the state standing behind. In fact, it is the state, not the bank, that is making good. Therefore, the requirements of experience may be set at naught, largely, in conducting the institution, and the amount of the reserve need not give so much concern.

Not only this, but the laws as proposed so far in the Middle Western States give to the state a lien on the assets of the institution that takes precedence over anything else. That is to say, when the state takes charge it pays out the quick assets at once, and then immediately supplements the balance due depositors out of the guarantee fund. Then it proceeds much as the Comptroller proceeds now to wind up a defunct institution. But it has a first lien on all the assets to recoup the fund. If, after all is collected that can be, there is still a deficit, then the fund loses, and after a certain point is

reached the bankers are assessed again. The proposal to place the tax at one per cent. of the average daily deposits for a year, or at one-tenth of one per cent., discloses one of the gravest objections to the whole scheme, the varying conditions of state laws with each other, and of state with national, if one should be enacted. But certain it is that this first lien will seriously interfere with the bank's rediscounting. The matter of the pledge of collateral notes will first have to be adjudicated by the courts before a bank will be justified in loaning to another where a guarantee deposit law with this first-lien clause in it exists.

Contrary to Public Policy.

When it comes to the public policy involved it may be said, of course, that anything that impairs the efficiency of the banking system as a whole is against the public good. Banks are the great fountains of credit. Business is done on this credit, and the credit of the individual. To curtail credit is to hamper trade. One effect of this law must be to increase the number of small banks, to so divide the business in small communities that none of them will be able to perform their function of loaning, since the power to loan depends on the pool of deposits one bank is able to create out of its immediate environment. This cannot but be detrimental to the borrowers in a given community. That bank in a community is most effective which is able to meet the needs of the business of that community and stands on the trade of its own vicinage.

That this law, if enacted in any general degree, will seriously impair the working out of the emergency currency need, is apparent. For how can a bank issue asset currency when its assets are previously pledged to its depositors through a state guarantee; or, if you will, which is really a more rigid requirement, pledged to the state, to recoup a fund given over to the state to guarantee deposits?

We have just noted the trust which the American people have in their banks and bankers. Nothing like the consideration of the past few months has ever been shown before. That it was not misplaced is now seen to be true. The clearing-house certificates paid the large balances between the banks; the cashiers' checks served as money the bank did not have and could not get; the individual checks paid the individual indebtedness by transferring book credits inside the bank from one to another. Trade was saved almost in its entirety by the banks and the considerateness of the people, and without the use of money or profit to the banks in general. The bankers have justified the people's trust and the people have received the reward of their trust.

But how would all this be under a guarantee law? There would be nothing due from the depositor to the banker. When he wanted his money he would come and get it, or he would close the bank, for he would know that the state would pay the bills. He would be absolved from that trust and kindly treatment he has lately given his banker. The state would pay; this would be the end of the argument, and if the bank was not ready, why it ought to be. To say that this condition would not be exceedingly bad for the banking business of the country would be to deny common reason. And that which injures the bank in its entirety, theory and practice, is destructive of the public good.

CREDIT CURRENCY.

JOHN L. HAMILTON, of Hoopeston, Ill., former president of the American Bankers' Association writes under date of January 13:

"I have read the book entitled 'Credit Currency,' and consider it the best explanation that has come to my notice.

"I wish that copies of this might be sent to every banker in the United States and to all those interested in the currency question."

TRUST COMPANIES

TRUST COMPANY LEGISLATION DURING THE YEAR 1907.

By Clay Herrick.

THE past year was one of considerable activity among the various state legislatures in the passage of bills pertaining to the business of trust companies. Legislation of more or less importance regarding trust companies was passed in twenty-five of the states; while seven states organized state banking departments whose duties include the supervision of trust companies, one state enacted for the first time a general law for the incorporation and regulation of trust companies, and five states made revision of their general trust company laws.

Following is a brief summary of the principal legislative enactments in the various states:

Alabama.

Act 243 authorizes the appointment of banks and trust companies as state depositaries.

Act 345 requires shares of stock of banking corporations to be listed for taxation locally at actual market value to the stockholders and not to the bank; and requires the furnishing of lists of stockholders.

Arizona.

Chapter 96 forbids trust companies to loan upon or purchase their own stock, except to prevent loss upon debts previously contracted in good faith.

California.

Chapter 302 requires the Bank Commissioners to call for at least three reports each year, as of specified past days, according to a form specified in the statute. Also, amending former law, it requires that the paid capital and net surplus must always equal at least ten per cent. of the total deposits and amount due creditors; provided that the maximum capital so required need not exceed $1,000,000.

Colorado.

Chapter 111 (House Bill No. 161) provides for the appointment of a Bank Commissioner, defines the term "Bank" as including "Trust company," and restricts and regulates the business. Examinations are required at least twice a year, reports at least three times a year. Banks may not borrow or rediscount to an amount more than that of the paid in capital; may not speculate, engage in business, deal in real estate, lend on their own stock, lend to one party more than twenty per cent. of paid capital and surplus, make a loan to a director of an amount over ten per cent. of capital and surplus without written consent of a majority of the directors or make any loan to an officer without the previous consent of the Board of Directors.

Connecticut.

Chapter 85 requires trust companies having savings deposits to invest the funds of the department for the exclusive protection of savings depositors in the same securities as are specified for savings banks, and to pay taxes the same as savings banks.

Chapter 86 forbids the use of the word "trust" in titles except to regularly organized trust companies.

Chapters 179 and 204 concern taxation and reports for taxation.

Chapter 180 repeals powers heretofore given to engage in any kind of insurance; but authorizes the continuance of companies which on January 1, 1907, were actually engaged in the business of a title insurance and guaranty company.

Chapter 61 authorizes the payment of funds in a joint account in a savings bank to either of the parties.

See also chapters 62, 65 and 130, pertaining to savings banks.

Georgia.

Chapter 84 establishes a Bank Bureau, and makes all trust companies which do a banking business subject to the State Bank Examiner and to all banking laws the same as the state banks. At least four reports a year are required, on any past days specified by the Examiner, and according to a form prescribed by him. He must examine all companies twice a year or oftener.

Idaho.

Senate Bill 93, page 545, Sessions Laws, amends and re-states the powers of trust companies.

Illinois.

House Bill 522, approved June 3, 1907, amends the state banking law, to which trust companies which do a banking business are subject. The act outlines the duties and liabilities of directors, prescribes penalties, limits loans and states the amount of capital required.

Indiana.

Chapter 83 amends the law to read that the directors of a trust company must number six or more, each of whom must own ten shares of stock and a majority of whom must be citizens of the state.

Chapter 182 creates a Board of Bank Examiners, four in number, who have jurisdiction over trust companies. They are required to examine each company thoroughly, without previous notice, "as often as shall be necessary."

Chapter 281 concerns taxation.

Kansas.

Chapter 425 repeals section 1 of chapter 528, Laws of 1903, and re-states the powers of trust companies. It forbids the use of the word "trust" in titles, except to regularly incorporated trust companies.

Maine.

Chapter 96 enacts a very full general law for the incorporation, regulation and control of trust companies. It grants to trust companies the usual trust powers and full banking powers.

Massachusetts.

Chapter 319 requires that trust company stockholders annually elect three or more of their number as an examining committee. At least once a year this committee, without previous notice, must make or cause to be made a thorough examination of the assets and liabilities of the corporation, including those of its trust department. A report of the examination must be read to the directors and to the stockholders, and a copy must be sent to the bank commissioner. The latter may at his option have an examination made by an expert.

Chapter 320 fixes the time for the annual report at "within ten days after the last business day of October," and raises the number of extra reports which may be called for to five.

Chapter 487 amends the statutes so as to make the minimum required capital \$200,000 in cities of over 100,000 population, and \$100,000 in smaller places. It also provides that court funds deposited with a trust company which remain unclaimed for more than ten years shall upon order of the court upon motion of the Attorney-General be paid over in trust to the Treasurer and Receiver General.

Michigan.

Chapter 240 (House Act. No. 478) provides for the incorporation of "safety and collateral deposit companies," which are corporations authorized to do a safe deposit business and "to receive on deposit, in trust, any personal property deposited with them by individuals, partnerships or corporations, as collateral security for the payment of bonds or other obligations issued by such individuals, partnerships or corporations."

Minnesota.

Chapter 225 amends section 3033, Revised Laws 1905, to read that of the capital of a trust company (which shall not be less than $200,000 nor greater than $2,000,000), $200,000 must, before beginning business, be invested in certain specified securities, which must be deposited with the public examiner as a guaranty fund for the benefit of creditors.

Missouri.

Senate Bill 143 re-states and codifies, with some changes, the laws relating to the state banking department and to the various kinds of banking institutions, including trust companies. The provisions regarding the latter are numbered Article XII of Chapter 12, taking the place of sections 1424-1439, inclusive, of the Revised Statutes 1899, which are repealed. The State Bank Commissioner must exercise over all trust companies the same supervision as he formerly exercised over trust companies which receive deposits.

The Committee Substitute for Senate Bill 82 (page 190) provides for a reserve of fifteen per cent. of demand deposits—a provision which is also included in the above mentioned bill. It requires the State Banking Department to examine all trust companies once a year, and when it thinks expedient. Annual examinations by committees of the stockholders are also required.

Montana.

Chapter 137 details at some length the conditions under which foreign banking corporations may operate.

Chapter 159 forbids the use of the terms "trust" or "trust company" except by regularly organized trust companies.

Chapter 164 provides that no loan may be made to any managing officer without good collateral or other good and specific security; and that where such a loan exceeds in amount ten per cent. of the capital it must first be approved by a majority of the Board of Directors and be entered with their signatures upon the records.

Chapter 190 requires the maintenance of fifteen per cent. of total deposits, "of which such portion as the Board of Directors may determine" may be on deposit in certain banks approved by the State Examiner as reserve banks; and the latter must carry a reserve of twenty-five per cent., in lawful money or on deposit with approved banks.

Nevada.

Chapter CXIX creates a Board of Bank Commissioners, who are to appoint a Bank Examiner. The statute prescribes examinations and reports. While trust companies are not mentioned in the statute, it apparently applies to them if they do a banking business.

New Jersey.

Chapter 35 provides that foreign trust companies may conduct only such business as is permitted to domestic companies, and only upon compliance with the laws.

Chapter 40 authorizes the payment of the money in a joint account to either party, whether the other be living or not.

Chapter 50 makes it a misdemeanor to circulate false reports regarding a bank or a trust company.

New York.

Chapter 121 relates to taxation of personal property of trust companies.

Chapter 247 amends the section of the law relating to deposits of minors, trust deposits and joint accounts in savings banks by adding a provision

that the money in a joint account, in whole or in part, may be paid to either party during the life-time of both or to the survivor after the death of one of them.

Chapter 408 concerns the time given the Superintendent of Banks to transmit his reports regarding trust companies and other financial institutions.

Chapter 522 requires the Superintendent of Banks, upon taking possession of a bank or banker's property and business, to forthwith give notice of such fact to all banks, trust companies and others in possession of any of its assets; and denies to any bank, trust company, association or individual any lien for payment, deposit or clearance thereafter made or liability thereafter incurred against any of the assets of such bank.

Chapter 612 provides that minors may control their deposits in trust companies; that deposits made by a person in trust for another may be paid to the latter upon the death of the trustee; and that no official oath shall be required from a trust company which has been appointed executor, administrator, guardian, trustee, receiver or committee.

Chapter 739 relates to taxation.

North Carolina.

Chapter 829 amends the banking law as to Chapter 7, Revisal of 1905, so as to bring trust companies under the same laws as banks.

Oregon.

Chapter 138 establishes a Board of Bank Commissioners, and enacts a complete banking law. The term "bank" is so defined as to include trust companies.

Pennsylvania.

No. 141 makes it a misdemeanor for directors, officers or employees of financial institutions, including trust companies, to make false statements, entries or reports.

No. 150 relates to the reserve required of all banks, including savings banks and trust companies. All companies which receive deposits subject to check or payable on demand must keep a reserve of fifteen per cent. of all demand liabilities; and all which receive deposits "payable at some future time" must maintain a reserve of $7\frac{1}{2}$ per cent. of all time deposits. One-third of the reserve must be in cash; one-third may be in certain specified bonds; the balance may be on deposit in any bank or trust company in the state approved by the Commissioner of Banking or in banks or trust companies in reserve cities in other states approved by the Commissioner.

No. 151 concerns distribution of assets of trust companies.

No. 512 concerns taxation.

No. 525 requires trust companies and other financial institutions to furnish a receipt in full, by pass-book or otherwise, for all moneys received as deposits, etc. All reports required must set out in full the aggregate of these liabilities, which must not be concealed for any purpose. If the company borrows money, the amount must be set out in full on the books and in reports. Nor must any assets be concealed. Violation of the act is made a misdemeanor.

South Dakota.

Chapter 109 amends and re-enacts in full the general trust company law passed in 1905. Careful supervision under direction of the Public Examiner is provided for.

Texas.

Chapter 37 amends section 7 of chapter 10, Laws of 1905—the state banking act—making some slight changes regarding the reserve required of all banking corporations. The reserve remains at twenty-five per cent. of demand deposits, ten per cent. to be in cash.

Washington.

Chapters 22 and 37 relate to the appointment of trust companies and other banks as city and state depositaries.

Chapter 80 authorizes payment to either depositor in a joint account, whether the other be living or dead;

provided that the act does not apply to accounts over $300.

Chapter 126 amends the old law as to powers of trust companies, and states the powers in full.

Chapter 225 creates the office of State Examiner, stating his duties and the regulations for and restrictions on banks, including trust companies, at length. Careful examination and frequent reports are called for.

West Virginia.

The act of February 19, 1907, creating the office of Commissioner of Banking amends the banking law, makes trust companies doing a general banking business subject to the act, provides for careful regulation and supervision, and states at some length the limitations to which trust companies and other institutions are subject.

BANK AND TRUST COMPANY RESERVES.

By Clark Williams, Superintendent Banking Department State of New York.

DISCUSSING the reserves to be kept by banks and trust companies in his recent annual report, Clark Williams, Superintendent of the Banking Department of the State of New York, says:

"I am not in sympathy with the idea that because certain financial institutions in a given locality are required to keep a fixed percentage of reserve, other institutions should be required to maintain a similar reserve to equalize the basis of competition, or that they may bear what is termed 'their share of the burden.' It must be shown that the character of business is different, however, to justify a difference in the amount of reserve.

"The scheme of the law has been to divide corporations into classes with varied and distinctive powers. We have our banks of discount, our trust companies and our savings banks, but it would be absurd to require them to carry in their vaults the same percentage of cash reserves merely because they are all banking corporations. Reflection makes clear that our aim should be not to equalize the powers and limitations of corporations designed in their creation to differ, but in the matter of reserve to require what the character of the business of each demands.

"It has been determined by experience covering many years that the reserve of national banks in the City of New York should be twenty-five per cent. This percentage was undoubtedly established in consideration of the position held by these institutions in the national banking system as the ultimate reserve depositories of the members of that system throughout the country. Demands upon these reserves from differed sections and at various times are great and uncertain, depending upon the necessities of economic conditions.

"If it can be shown that state banks and trust companies stand in this position of exposure as ultimate reserve agents, and if their local business is of a similar character, their required reserve should be no less.

"Is this the case?

State Banks.

"Our state banks enjoy the reserve agency privilege only so far as they become the depositaries of other state institutions. This limitation of exposure may account for the fact that the percentage of deposits 'due to banks' to the total deposits of our state banks is but fifteen per cent. as compared with forty-five per cent. in the case of national banks. They may not receive the deposits of government funds, nor avail of the privilege of issuing circulation. In most other respects, however, their business is similar to that of the national bank. They were originally intended to supply the commercial needs of the community,

and are essentially 'banks of deposit and discount.'

"The law allows the incorporation of a state bank with a minimum capital of $100,000 in New York city, this requirement being reduced in accordance with the population in other sections of the state. Each bank is required to make a deposit of $1,000 in value with the Banking Department, the aggregate of which now amounts to $281,260. There are no other restrictions as to the permanent investment of the capital fund.

Trust Companies.

"There is no class of financial institution to which the law permits a wider range of corporate activity than the trust company, and this range is covered to a greater or less extent in accordance with the policy of management. There are those companies which adhere closely to what may be termed the legitimate trust company business; others are performing the general functions of a bank. Whether this condition follows the original intent or not, it exists at the present time, and must be dealt with accordingly. The encroachment of the trust company upon the banking field has not been so great, however, as to warrant the general conclusion that there is not an essential difference between the character of business of the two classes of institutions.

"It is not a matter of theory, but of fact, that a large proportion of the trust companies' deposits are inactive. They include deposits by order of the court, by executors of estates, sinking funds under corporate mortgages, and the like, as well as the surplus funds of individuals and corporations deposited for income and pending investment. A large proportion of the deposits of banks are the margins of commercial borrowers, and the active working capital of individuals or corporations, which are subject to daily draft and constant fluctuation.

"So far as statistics are available, a comparison of the clearings of the banks and trust companies confirms this belief. In the City of New York in the year 1903 the bank clearings were upwards of $64,000,000,000. In 1904 they exceeded $68,000,000,000. In 1905 they exceeded $93,000,000,000. The trust companies' clearings in the same years amounted to approximately seven per cent. of the clearings of the banks. In other words, to express the comparison of the activity of business of these classes of institutions, the banks of the City of New York cleared for their depositors $300,000,000 each day, while the trust companies, with about the same amount of deposits, cleared for their depositors only $20,000,000 per day.

"In the matter of exposure as reserve agents, these companies are in a similar position to that of the State banks. The percentage of deposits 'due to banks' to the total deposits of the trust companies is but twelve per cent. as compared with 15 per cent. for the State banks and forty-five per cent. for the national banks.

"With a view to safety, stability and strength, and as a guarantee for the faithful performance of trust, the Legislature has prescribed a larger amount of capitalized financial responsibility for the trust company than is required from other classes of banking corporations. The minimum capital for a trust company in New York city is fixed at $500,000, and a less amount in similar proportion in other parts of the State according to population.

"In addition, the law compels investment of the total capital of trust companies in Government, state or municipal bonds, or in first mortgages on improved real estate. The aggregate capital of trust companies now so invested approximate $68,000,000. Again, the law compels the deposit with the Banking Department of ten per cent. of the capital of these companies in securities similar to those prescribed for capital investment. These deposits now held by the Department amount in the aggregate to $9,498,029.

"These are underlying conditions and essential features which in my judgment distinguish the business and

character of our banks and the business and character of our trust companies, and have their immediate bearing upon the consideration of the question of adequate reserves.

Reserves.

"I therefore recommend that every bank or individual banker, having its principal place of business in any city in the State having a population of over 800,000, shall at all times have on hand a reserve fund equal to at least twenty-five per cent. of the aggregate of its deposits. The whole of such reserve fund may, and at least three-fifths thereof must, consist of either lawful money of the United States, gold certificates, silver certificates, or notes or bills issued by any lawfully organized banking association, and the balance thereof must consist of moneys on deposit, subject to call, with a reserve agent approved by the Superintendent of Banks.

"That every bank or individual banker, having its principal place of business elsewhere in this state, shall at all times have on hand a reserve fund equal to at least fifteen per centum of its aggregate deposits. The whole of such reserve fund may, and at least two-fifths thereof must, consist of lawful money as aforesaid, and the balance thereof must consist of money on deposit, subject to call, with a reserve agent approved by the Superintendent of Banks.

"That every trust company, having its principal place of business in any city in the state having a population of over 800,000, shall at all times have on hand a reserve fund equal to at least fifteen per cent. of the aggregate of its deposits. The whole of such reserve fund must consist of lawful money as aforesaid.

"That every trust company, having its principal place of business elsewhere in this state, shall at all times have on hand a reserve fund equal to at least ten per cent. of its aggregate deposits. The whole of such reserve fund may, and at least fifty per cent. thereof must, consist of lawful money as aforesaid, and the balance thereof must consist of money on deposit, subject to call, with a reserve agent approved by the Superintendent of Banks.

"In estimating, for the purposes of reserve, the total amount of its deposits, a trust company may exclude:

"First—Any moneys held by it in trust, the disposition whereof is wholly within the control of the trust company as executor, administrator, receiver, trustee or otherwise.

"Second—Time deposits not payable within thirty days, represented by certificates showing the amount of the deposit and the date of issue and maturity.

"I further recommend that any officer or employee of a trust company who shall make any agreement, express or implied, at the time of issuing a certificate of deposit, by which its holder may demand or receive payment thereof in advance of its maturity shall be guilty of a misdemeanor.

"Ample time should be given for the establishment of these additional reserves.

"I suggest that one-half of the amount of cash, in addition to that now required, be accumulated prior to July 1, 1908, and the remainder prior to January 1, 1909. Upon the basis of the last available statements the additional cash reserve required to be held in vault will approximate $28,500,000 in the case of state banks, and $95,000,000 in the case of trust companies, without deduction for trust funds and time deposits. A certain percentage of this additional amount is now carried by both classes of institutions.

"The result of these additional reserves would be to place our state institutions in a position to meet any demands that might be made upon them for which a proper reserve would be adequate protection, and the strength of the reserve position of the city of New York would be greatly augmented thereby."

NEW YORK TRUST COMPANIES.

According to the report of the Superintendent of the New York State Banking Department the trust companies of the state numbered eighty-eight on September 30, a net increase of two for the year. The Chatauqua County Trust Company at Jamestown became a national bank in December, 1906. The Colonial Trust Company of New York was merged into the Trust Company of America in April, 1907. The companies added to the list during the year were:

	Date.	Capital.
New Netherlands Trust Co., New York....	November 2, 1906	$1,000,000
The Commercial Trust Co., New York....	November 2, 1906	500,000
Carnegie Trust Co., New York............	January 2, 1907	1,000,000
Irving Trust Co., New York..............	March 21, 1907	500,000

Soon after it was authorized to begin business, the New Netherlands Trust Company changed its name to Astor Trust Company and increased its capital to $1,250,000. The Irving Trust Company changed its corporate title to the Fidelity Trust Company, and increased its capital to $750,000.

The Carnegie Trust Company was chartered in 1898 by a special act of the Legislature as the Security Assurance Company, but had done no business under the latter title except such as related to organization. It began business as a trust company in January, 1907, with a capital of $1,000,000, which was increased in the following August to $1,500,000.

During the year the Utica Trust and Deposit Company increased its capital from $200,000 to $400,000; the New Rochelle Trust Company from $100,000 to $200,000; and the Home Trust Company of the City of New York (Brooklyn) from $500,000 to $750,000. Of the latter increase there has been paid in as yet but $227,300.

The only trust company decreasing its capital during the year is the Commonwealth Trust Company of New York, which has practically no deposits and is doing no active business. This decrease from $500,000 to $250,000 involved no repayment of money to stockholders, nor the surrender of assets. The step was approved on January 3, 1907, by the Superintendents of Banks, upon an opinion by the Attorney-General as to its legality.

The International Trust Company, New York, capitalized at $500,000, and claiming to have an equal paid in surplus, was authorized to do business October 1, 1907. This company has since been placed in the hands of a permanent receiver.

The following items are from the reports of trust companies as of August 6, 1906, and August 22, 1907:

	1906.	1907.
Number of companies reporting.......	85	88
Total capital	$64,800,000	$68,661,600
Surplus and undivided profits on book value of stocks and bonds.........	168,420,043	176,944,735
Surplus and undivided profits on market value of stocks and bonds.....	171,580,836	171,100,883
Cash on deposit	127,030,588	95,144,026
Cash on hand	45,568,984	59,307,396
Total resources	1,406,244,458	1,363,966,143

The ratio of book surplus to capital decreased, between the dates stated, from 259.9 to 100 to 257.7 to 100, and the ratio of market value surplus from 264.7 to 100 to 249.1 to 100.

TRUST COMPANIES IN THE VARIOUS CITIES.

THE accompanying table shows the number and aggregate resources on July 1, 1907, of trust companies in each of the cities of the United States which had a population of $50,000 or over according to the census of 1900. It shows pretty clearly the centers about which the trust company business is grouped, and reveals the fact that the amount of business done by the trust companies in the various cities is not always proportionate to the population and wealth of the cities. Thus, Providence, which ranks twentieth in population, ranks eighth in the resources of its trust companies, while Buffalo, which ranks eighth in population, ranks nineteenth in the resources of its trust companies, and Milwaukee, fourteenth in population, ranks thirty-fifth in such resources. There are other instances quite as striking, which show that the trust company business has been developed quite fully in some centers and hardly at all in others. The slight development, so far as deposits are concerned, is in several cases accounted for by the state laws which prohibit trust companies from doing a banking business, as for example in Michigan, Minnesota and Wisconsin.

The eight cities in each of which the aggregate resources of trust companies exceed one hundred million dollars are, in the order of such resources, as follows:

1	New York	$1,283,558,153
2	Chicago	410,207,539
3	Philadelphia ...	345,573,535
4	Boston	182,577,604
5	Pittsburg	165,190,683
6	St. Louis	127,181,401
7	Cleveland	124,758,801
8	Providence	113,325,604

These eight cities have a total of 218 trust companies, whose total resources are $2,752,373,320, or a little over sixty-four per cent. of the total resources of all trust companies in the country.

CITY.	No. of Co's.	Aggregate Resources.
Albany, N. Y.	2	$11,187,828
Allegheny, Pa.	6	16,592,789
Atlanta, Ga.	3	4,529,597
Baltimore, Md.	10	56,607,451
Boston, Mass.	16	182,577,604
Bridgeport, Conn.	1	1,596,375
Buffalo, N. Y.	3	20,869,299
Cambridge, Mass.	3	4,281,431
Camden, N. J.	5	12,957,296
Charleston, S. C.	3	2,060,010
Chicago, Ill.	26	410,207,539
Cincinnati, O.	7	41,055,847
Cleveland, O.	15	124,758,801
Columbus, O.	4	8,741,251
Dayton, O.	2	4,874,775
Denver, Col.	5	8,723,434
Des Moines, Ia.	2	4,049,382
Detroit, Mich.	4	15,848,997
Elizabeth, N. J.	1	3,442,223
Erie, Pa.	2	4,422,877
Evansville, Ind.	3	2,572,719
Fall River, Mass.	1	2,849,756
Grand Rapids, Mich.	2	1,549,999
Harrisburg, Pa.	6	11,384,954
Hartford, Conn.	4	6,995,321
Hoboken, N. J.	4	23,260,831
Indianapolis, Ind.	7	17,795,224
Jersey City, N. J.	11	40,428,338
Kansas City, Kas.	2	1,108,781
Kansas City, Mo.	4	14,818,866
Los Angeles, Cal.	10	31,525,805
Louisville, Ky.	6	2,217,208
Lowell, Mass.	1	534,120
Lynn, Mass.	3	5,399,622
Memphis, Tenn.	14	24,986,844
Milwaukee, Wis.	3	4,121,785
Minneapolis, Minn.	2	2,817,996
Nashville, Tenn.	5	7,232,387
New Bedford, Mass.	1	1,343,126
New Haven, Conn.	3	2,413,963
New Orleans, La.	13	56,100,552
New York, N. Y.	51	1,283,558,153
Newark, N. J.	4	35,605,223
Oakland, Cal.	4	2,084,452
Omaha, Neb.	2	416,053
Paterson, N. J.	5	13,116,260
Peoria, Ill.	2	2,262,931
Philadelphia, Pa.	58	345,573,535
Pittsburg, Pa.	34	165,190,683
Portland, Me.	5	10,612,699
Portland, Ore.	6	14,827,158
Providence, R. I.	6	113,325,604
Reading, Pa.	5	8,848,983
Richmond, Va.	3	1,909,427
Rochester, N. Y.	5	52,523,415
St. Joseph, Mo.	3	1,513,577
St. Louis, Mo.	12	127,181,401
St. Paul, Minn.	3	1,548,745
Salt Lake City, Utah	3	8,142,115
San Antonio, Tex.	4	3,763,276
San Francisco, Cal.	6	45,162,262
Savannah, Ga.	4	5,526,252
Scranton, Pa.	2	2,417,818
Seattle, Wash.	6	11,311,821
Springfield, Mass.	3	10,197,030
Syracuse, N. Y.	2	14,695,993
Toledo, O.	5	14,928,838
Trenton, N. J.	2	3,457,957
Troy, N. Y.	2	6,882,062
Utica, N. Y.	2	7,881,649
Washington, D. C.	6	34,316,534
Wilkesbarre, Pa.	2	3,647,867
Wilmington, Del.	3	8,084,249
Worcester, Mass.	1	10,883,180

MASSACHUSETTS TRUST COMPANIES.

THERE is pending before the Massachusetts Legislature, says the "Boston News Bureau," a bill fixing the legal reserve of trust companies in that state, which if enacted into law, as now seems probable, will in the opinion of banking experts serve as a preliminary step to the initiation of the trust companies into the Boston Clearing-House.

As the law stands at present, trust companies in Massachusetts must have a reserve equal to fifteen per cent. of their deposits. This reserve may be computed by figuring in as one-third of the fifteen per cent. the trust company's investments in state of Massachusetts bonds. Of the other ten per cent., half must be in cash in the bank, and half may be in some regularly constituted reserve agent.

The new law proposes that all Massachusetts trust companies shall as now maintain a fifteen per cent. reserve, of which six per cent., however, must be in cash and the remainder, or nine per cent., may be kept in a regular reserve depositary. Massachusetts bonds shall not count in reserve as now. In the case of Boston trust companies this depositary is to be any national bank in Boston, New York, Chicago, Albany or Philadelphia. Where the trust company is outside of Boston, the depositary may be any of the national banks above mentioned or any trust company which qualifies to act as reserve agent by maintaining a twenty-five per cent. reserve, of which ten per cent. is to be in cash and the remainder in deposits in any national bank in Boston or the other cities mentioned above.

The importance of the proposed law is that it proposes to create a new class of trust companies which maintain a twenty-five per cent. reserve of their own volition, their object in doing so being to secure the deposits of country trust companies who now turn their reserve funds over to national banks. This special class of twenty-five per cent. reserve trust companies would be immediately available for membership in the Clearing-House, and there is little doubt that such would be the result, particularly in the case of the larger companies who habitually maintain a reserve very close to twenty-five per cent.

NEW YORK TRUST COMPANY MEETING.

THE annual meeting of the Trust Companies Association of the State of New York was held in the National Park Bank on January 17. John E. Borne, chairman of the executive committee of the Trust Company of America and president of the association, presided. The meeting was attended by representatives of forty out of eighty-seven companies belonging to the association.

Officers were elected as follows:

President, Grange Sard, president Union Trust Company, Albany; vice-presidents, John I. Waterbury, president Manhattan Trust Company, New York; Theodore F. Miller, president Brooklyn Trust Company, Brooklyn, N. Y., and the Hon. James S. Sherman, president Utica Trust and Deposit Company, Utica, N. Y.; treasurer, Clinton L. Rossiter, vice-president Long Island Loan and Trust Company, Brooklyn; secretary, Philip S. Babcock, 222 Broadway, New York; members of the executive committee, Otto T. Bannard, president New York Trust Company, New York; Silas B. Dutcher, president Hamilton Trust Company, Brooklyn, N. Y.; Charles A. Boody, president Peoples Trust Company, Brooklyn; Seymour Van Santvoord, president Security Trust Company, Troy; Lewis P. Ross, president Fidelity Trust Company, Rochester; William Nottingham, vice-president Syracuse Trust Company, Syracuse; E. O. McNair, president Commonwealth Trust Company, Buffalo; Oakleigh Thorne, president Trust Company of America, New York; George W. Young, director Windsor Trust Company, New York, and John E. Borne, chairman of executive committee of Trust Company of America, New York.

CLEARING-HOUSE EXAMINATIONS.

By Gordon C. Smith, Assistant Examiner for the Minneapolis Clearing-House Association.

ONE of the newest ideas in banking methods and one that is gradually spreading to all the large cities is the examination of banks by special examiners appointed by the clearing-house associations. Starting in Chicago about a year and a half ago, this plan was soon taken up and put into effect by Minneapolis and later by St. Louis, while at present several other cities, among them St. Paul, Milwaukee, Kansas City, Detroit and Spokane, are making arrangements to adopt it.

Mr. W. T. Fenton, vice-president of the National Bank of the Republic of Chicago, was the originator of this plan, and through his efforts it was first adopted by the clearing-house banks of that city. These members had met with several losses through their undertaking to help out a number of banks there that had become seriously involved, and they decided that it was time for them to step in and guard against further losses to themselves and to the depositors by appointing an examiner whose duties would be to visit each bank and keep in touch with its condition. The information gained in this way placed them in a position where they could have immediate knowledge of any irregularities that might appear and thus have an opportunity to put a stop to them before it was too late.

Government Examination Defective.

The examiners appointed by the Government and the various states, while carrying on their work as best they can, have to labor under difficulties which can be eliminated by this new method, and they cannot make as thorough an examination as the clearing-house examiners. In the first place, the office of national bank examiner or State Superintendent of Banking is a political plum, and the men best fitted for this work are not always chosen. Then they are hampered in their work by having too small a force of assistants, and cannot take the time necessary for a complete examination. They are each limited to their special kind of banks, whereas the clearing-house examiner has all of the banks in his city, national, state and private, under his supervision and has a much better view of local conditions. Excessive loans to a firm that is borrowing from several banks, both national and state, can be discovered much better by the clearing-house examiner, because he knows the relations of a borrower with the other banks. Each bank might be loaning this firm what would be safe if he borrowed nowhere else, and in case of trouble all would lose. With this plan such a borrower would be checked and the banks warned against him. Moreover, operations in pyramidal banking, such as were brought to light in New York during the recent trouble in the case of the Morse banks, show the weakness of the ordinary supervision of banks.

Knowledge of Local Credits and Values.

Another great advantage the clearing-house examiner has is the knowledge of local credits and values that he obtains by being on the ground all of the time and by continually passing from one bank to another in the same city. He has time to examine thoroughly the paper held by the banks and after making the rounds once or twice can soon detect any weak or doubtful loans. The trouble is that either a state or national bank examiner may make his examination, find the loans regular enough on their face, and go away without discovering whether some of them are not absolutely worthless.

The Method Followed in Minneapolis.

Here in Minneapolis twenty-three banks are included in the examination, including seven national, ten state, four savings banks and two trust companies. One of these is a St. Paul bank which voluntarily joined the Minneapolis banks for the purpose of taking advantage of these special examinations. Two examinations a year are made at irregular periods, which allows the examiners time to complete their work in every detail. Every department is thoroughly checked and a great deal of time spent in studying the loans and collateral. A meeting of the discount board or of the directors is then called and the loans gone over carefully with them. Where improvements can be made in the general system or methods of handling the detail work of the bank, proper recommendations are made to the officers or the directors. These are often of considerable value to the banks, for the knowledge obtained by the examiners of the many different systems in use in the different banks places them in a position to judge of their merits and shortcomings.

The report of each examination is made only to the directors of the bank concerned and only in a case where, in the judgment of the examiner, changes should be made which the directors or officers neglect, is the matter taken up with the Clearing-House Association for further action. In this way each bank is assured of proper secrecy in regard to its own affairs.

Though this department has been in operation here just one year, it is already considered one of the best moves that the banks have ever made, both by the bankers themselves and by the depositors and public in general. The members of the clearing-house have complete confidence in one another and in case of a run on any one institution they would feel justified in at once coming to its aid and preventing a general run, without having to stop and make an examination of the bank involved, and then deciding on action afterwards. It also gives the depositors more confidence in the banks, and the advertising the local banks get in this way is of considerable value to them. Many of the country bankers who carry accounts in Minneapolis have expressed themselves as very much pleased with this action, and the growth of these deposits here show that they realize this advantage.

An examination of this character is, under the present conditions, the only kind that has proven a success. Competent examiners can be employed, sufficient time allowed them to make a complete and satisfactory examination, and all the disadvantages of the national and state examinations obviated. The next few years will undoubtedly find every city that has a clearing-house association with its own staff of examiners and by grouping themselves together for this purpose the country banks can take advantage of the same plan.

Minneapolis, Minn.

TRUST COMPANIES MUST PAY TAX.

THE effort of various trust companies in Connecticut which maintain a savings department, to evade the investment and tax law enacted at the recent session of the Legislature has been thwarted by a decision which Attorney General Holcomb rendered. The representatives of the trust companies hold that it was understood by the legislative committee on banks that if the trust companies which do a savings business omitted the word "savings" they would not come within the scope of the new law.

Attorney-General Holcomb, while not pretending to say what the committee had in mind, advises the state tax authorities that the savings departments of trust companies, "including special deposit departments," come within the scope of the law of 1907, that the deposits are subject to the savings bank tax and that the investment of the surplus deposits must be governed by the laws concerning savings banks.

SAVINGS BANK PROBLEMS.

SOME matters of interest to savings banks generally are dealt with in the following extracts from the annual report of Clark Williams, Superintendent of the Banking Department of the State of New York:

Reserves.

In limiting the amount of cash which savings banks may carry in their vaults it was the evident legislative intent to require the remunerative use of their funds to the largest extent consistent with good banking.

Occasional demands for unusual cash payments incident to such a disturbance as occurred in October suggest the wisdom of requiring a cash reserve for saving banks even though in times of stress and of cash withdrawal these institutions may resort to the expedient of requiring notice of proposed withdrawal by depositors.

The distributive character of the deposits is such as not to require a large cash reserve. There may be those who, through a desire to show the largest possible return to their depositors, are drawing the line of cash reserves too closely, but the correction of such indiscretion would seem to be a matter lying within the supervisory duties of the department rather than for legislative action.

Hypothecation of Securities.

The statute now gives authority to the savings banks to purchase certain securities therein prescribed. This doubtless carries with it the right upon the part of the savings bank to sell. There is no direct provision, however, permitting the temporary use of assets in an emergency. With a view to securing cash, it is clear that under certain conditions prudent management and the largest interests of the depositors would require the application of the assets to the purposes of a loan rather than their sacrifice through a forced sale. This is not, however, a practice which should be indulged in without limitations. I therefore recommend that savings banks be given the right to hypothecate their securities for such length of time and upon such terms as the Superintendent of Banks may in writing approve.

Savings Bank Trustees.

The law provides that the directors of banks and trust companies shall take an oath of office covering the faithful performance of their duties, and this applies to their re-election. There is no provision in law, however, for such an oath by the trustees of savings banks except those who execute the certificate of association incident to organization. I therefore recommend that trustees of savings banks be obliged to execute such an oath on becoming trustees or on re-election.

Proper Method of Valuing Securities.

The present requirement of the statute pertaining to the valuation of securities is that a savings bank shall report the "estimated market value" of its stock investments, and the established practice is to apply this same rule to all the investments of financial institutions, and to base their profits and losses

thereon. It is proper that market values should be adhered to in the valuation of securities not necessarily purchased as a permanent investment, and not having a fixed date of maturity.

In the following discussion the application of the theories advanced is made only, in the first instance, to such fixed investments as the law prescribes for the funds of savings banks and the capital of trust companies.

The violent fluctuations in the market price of securities during the past year have aroused discussion of the subject of the proper method of estimating the earnings of financial corporations, especially as to investment securities. This question is of particular importance in the case of savings banks, whose investments are practically all in fixed term securities.

Basing profits or losses in securities of this class upon the fluctuation of market values is unsound, and contrary to certain well established principles of accounting. The use of market values in estimating assets is upon the theory of a presently convertible cash value. The security is not actually converted upon that day, nor does any necessity therefor exist.

As a matter of principle there is no actual profit or loss until the sale of the security, when it is again converted into cash. The marking down of the value of securities as a precautionary measure applies with least force to savings bank securities because of their peculiar safety and character.

Amortization.

Bonds secured by mortgage on real estate are properly taken and carried at par, the interest received thereon being the full earning of the security. Other securities are usually purchased at a premium or discount. Having a fixed term for maturity, the nominal rate of interest is not the actual income. Nor is the temporary investment rate a correct basis for computing income. The true rule lies between the two. Taking the purchase price, the term to maturity and the nominal rate per centum of interest of such a security, reference to the standard tables of bond values will give the effective rate of interest. This effective rate gives the actual average income of the security, after providing for the proper proportion of premium or discount for each remaining year of the term of the security.

If the original cost is carried as book value at the time of purchase and the plan of amortization is followed, it results in a mathematically exact gradation of book value, so that at maturity the security will be at par, the book value being changed at each period to equal the amortized value. The practice of charging the entire premium or crediting the entire discount either at the time of purchase or sale or at maturity, places the entire loss or profit on the operations of the year in which such charge or credit is made, and is defensible only upon the ground that, because of purchases of substantial amounts of securities each year, the average is equivalent to amortization. This is, of course, guesswork, and the profit or loss is bound to be unequal because of the variations in market values through a series of years.

A modified system of amortization, by charging or crediting a part of the premium or discount, based upon the proportion of time expiring to the term of the security, is used by some institutions as a convenient application of the plan, but it is not correct mathematically.

To illustrate:

Assuming a bond of $1,000, bearing interest at 5 per centum per annum, due ten years after the date of purchase and costing $1,081.80.

The nominal rate of interest is 5 per cent., stated in the bond. The temporary investment rate of interest is 4.62 per cent., determined by dividing the annual income by the purchase price. The effective rate of interest is 4 per cent., being the net income on amortized values down to maturity. The computations for this purpose are complicated, but the results may be found summarized in the standard tables of bond values.

Applying the rule of amortization to the bond assumed, the income for the year is $50, and for the ten years $500. The net income on the graduated book value at four per cent., the effective rate, is $418.20, and the balance of the income, $81.80, is charged to the investment, bringing it to par at maturity.

In the case of savings banks paying interest semi-annually the amortization should be made on that basis. The original book value should be at the cost price less accrued interest, thus placing the security at its actual cost at the last interest due date.

The following table illustrates the application of the rule to the bond assumed, showing the book value and the disposition of the income:

Year.	Book Value.	Gross Inc.	Int. Acct.	Secur. Acct.
10	$1,081.80	$25	$21.60	$3.40
9½	1,078.40	25	21.60	3.40
9	1,075.00	25	21.50	3.50
8½	1,071.50	25	21.40	3.60
8	1,067.90	25	21.30	3.70
* *	* *	* * *	* *	* *
2	1,019.00	25	20.40	4.60
1½	1,014.40	25	20.30	4.70
1	1,009.70	25	20.20	4.80
½	1,004.90	25	20.10	4.90
0	1,000.00			
Totals		$500	$418.20	$81.80

It will be found that, by this method, each six months there will be received two per cent. on the then book value, thus equalizing the income on the net investment at each period.

The relation of assets and liabilities to profit and loss is so intimate that it is a logical step to value the assets represented by fixed term securities at the amortized or investment value. These securities are not purchased for speculation, and there is no necessity for conversion of all of them into cash at any one time. The rate of market value is a supposed present cash value based on the selling price of a similar security. Market manipulation, an occasional transaction, a period of financial panic or the reverse, the urgency of the seller or buyer, other temporary or undisclosed conditions may establish a market value by current quotation entirely at variance with the real value of the security for investment purposes. It will not be seriously claimed that any financial institution of large resources could in one day dispose of all its securities at the same price which might ordinarily obtain between other dealers.

The failure to realize market values in actual cases of forced liquidation shows the fallacy of such a claim. General market conditions and prices have their value for purposes of comparison, but when the field of pure investment is entered the fairest method of estimating the condition of a savings bank, for instance, is book value by amortization. The exceptions to the rule furnish evidence of its value. Certain securities, by reason of changes in conditions, may depreciate in value, and the book values may be reduced accordingly.

There should also be opened an "investment reserve" account, based upon a fair percentage of the book values of the securities, as protection against possible loss. This percentage would depend upon the character of the institution, its investments and management.

One objection made to amortization as a basis for valuing assets is that it penalizes the conservative investor who has purchased at low prices, and allows the investor who may have purchased

the same security at a higher price, to carry it at a greater book value than the former.

There are two answers at least to this objection:—

By an examination of the affairs of an institution the Superintendent, under the additional powers suggested, could compel a sufficient "investment reserve" account to give proper protection.

Then, too, the investor, being as anxious to produce a large income as to exhibit a large surplus, would realize that the higher the purchase price the less the net income. Thus the one who purchased the bonds assumed in the illustration at par would receive five per centum per annum, while he who purchased it at $1,081.80 would receive only four per centum.

I believe that the plan above outlined may be safely applied to the earnings and assets of savings banks, and to the valuation of the assets in the capital investment account of trust companies.

When we consider that approximately $629,000,000 of savings bank funds and $68,000,000 of capital of trust companies fall within the application of these principles of valuation, the importance of the subject becomes apparent. Savings bank legislation has properly been held within the most conservative lines, and the adoption of a correct rule for the uniform valuation of these securities by legislation would be a further evidence of adherence to this policy. I, therefore, recommend that statutory provision be made for the valuation of the assets of savings banks and the capital investments of trust companies by amortization, and that the profits and losses thereon be calculated upon that basis.

Application of the Principle Generally.

The principle of amortization, to take profits or losses only as they are actually made—to disregard paper profits and paper losses—may well be extended to the entire valuation of securities and estimate of earnings. The application of the principle would require the book value of all fixed term securities at the amortized value and other securities at the cost price. They would so continue until actually sold, when the profit or loss would be realized.

For the purpose of adjusting the value of stocks, etc., to current prices an "appreciation and depreciation" account would be required, to which should be carried, so often as the securities were listed and appraised, the variations between book value and market prices.

By eliminating from consideration, in estimating the actual surplus, any apparent gain in "appreciation and depreciation" account, for the purposes of declaring dividends or making loans or investments, the paper profit would be excluded.

By considering an apparent loss in the same account as a deduction from surplus on book values, assurance of safety and soundness would be given.

Objection may be made that evasion is easy by a sale of a security at a higher price than its book value and immediately repurchasing the same security. The answer to this is that the sale is really made and the profit actually realized; this is the object sought to be accomplished. If any institution should go to the expense of such a substitution, it would soon be known to the department, and the remedy appropriate to the condition applied. Moreover, the institution would have on its books the same security at the higher price, and in case of depreciation it would be compelled to make provision therefor in the "appreciation and depreciation" account, besides reducing the net income on the book value.

MARCH, 1904, MAGAZINE WANTED.

IN order to complete his files of The Bankers Magazine, a subscriber is desirous of obtaining a copy of the Magazine for March, 1904. Any one having a copy of this number, will please address Bankers Publishing Co., 90 William street, New York, stating price.

PRACTICAL BANKING

CREDIT DEPARTMENT METHODS.

By William M. Rosendale, of the Market and Fulton National Bank, New York.

An ambitious clerk in a small bank once said to its president, "Let me organize a credit department;" to which the official promptly replied, "What is the matter with our present credit department?" The clerk said, "Nothing; it is an excellent one for this bank; one which it would take years to duplicate. But it has one glaring fault. When you go fishing, the department goes too."

This is the fault with very many banks, but it is growing less and less. Now, everywhere, they are putting on paper and in files what this official carried under his hat. Still, in the profitable loaning of funds on commercial paper, there is an immeasurable some-

Form No. [illegible]

Account Opened.................................190

Name..

....

Business..

....

....

Character of Account..................................

....

Present Accounts......................................

Former Accounts.......................................

Reason for Changing...................................

Introduced by...

Remarks...

....

Form 1.—Used When an Account is Opened.

STANDARD FORM OF STATEMENT FOR FIRMS AS ADOPTED BY NEW YORK STATE BANKERS ASSOCIATION

FROM ____________________

ADDRESS ____________________

TO NATIONAL BANK

FOR THE PURPOSE OF PROCURING CREDIT FROM TIME TO TIME WITH YOU FOR OUR NEGOTIABLE PAPER OR OTHERWISE, WE FURNISH THE FOLLOWING AS A TRUE AND ACCURATE STATEMENT OF OUR FINANCIAL CONDITION ON ____________ 190__, WHICH YOU ARE TO CONSIDER AS CONTINUING TO BE FULL AND ACCURATE UNTIL WE GIVE YOU WRITTEN NOTICE OF CHANGE.

ASSETS		LIABILITIES	
CASH ON HAND		NOTES PAYABLE GIVEN FOR MERCHANDISE	
CASH IN THE FOLLOWING BANKS		NOTES PAYABLE NEGOTIATED TO OWN BANKS	
NAME OF BANK ______		NOTES PAYABLE OTHERWISE DISPOSED OF	
" " " ______		ACCOUNTS PAYABLE	
" " " ______		DEPOSITS OF MONEY WITH US AS FOLLOWS	
______		BY ______ $ ______	
NOTES RECEIVABLE OF CUSTOMERS (NOT TRANSFERRED)		BY ______ $ ______	
ACCOUNTS RECEIVABLE OF CUSTOMERS (NOT TRANSFERRED)		BY ______ $ ______	
NOTES AND ACCOUNTS RECEIVABLE OF PARTNERS (NOT TRANSFERRED)		BY SUNDRY PERSONS $ ______	
MERCHANDISE FINISHED (HOW VALUED ______)		______	
" UNFINISHED (HOW VALUED ______)		______	
" RAW MATERIAL (HOW VALUED ______)		______	
LAND OWNED BY FIRM, USED FOR THIS BUSINESS		MORTGAGE DEBT ______	
BUILDING " " " " " " "		CHATTEL MORTGAGES ______	
MACHINERY " " " " " " "		______	
______		______	
______ ______		TOTAL LIABILITIES	
______		NET WORTH ______	
TOTAL		TOTAL	

CONTINGENT LIABILITY: NOTES RECEIVABLE OF CUSTOMERS DISCOUNTED OR SOLD AND NOT INCLUDED IN ASSETS ENUMERATED ABOVE

OTHER CONTINGENT LIABILITY ______

WE HAVE NOT PLEDGED OR ASSIGNED ANY OF THE ABOVE ACCOUNTS RECEIVABLE; OUR ASSIGNED ACCOUNTS RECEIVABLE AMOUNT TO

OTHER ASSETS USED AS COLLATERAL ______

INSURANCE: ON MERCHANDISE $ ______ BUILDINGS ______ $ ______ MACHINERY $ ______ TOTAL INSURANCE

BUSINESS AND RESULTS: ANNUAL SALES FOR THE YEAR ENDED ______ 190__ OR FROM ______ 190__ TO ______ 190__

GROSS PROFITS ON SALES — FOR THE SAME PERIOD

EXPENSE OF CONDUCTING BUSINESS " " " "

NET PROFIT " " " "

OTHER INCOME, INCLUDING INVESTMENTS " " " "

COMBINED PROFIT " " "

WITHDRAWALS BY PARTNERS (NOT INCLUDED IN EXPENSE OF CONDUCTING BUSINESS) FROM ______ 190__ TO ______ 190__

BAD DEBTS FOR THE PERIOD FROM ______ 190__ TO ______ 190__

SPECIAL CAPITAL: CONTRIBUTED BY ______ UNTIL ______ 190__

" " ______ " ______ 190__

" " ______ " ______ 190__

GENERAL PARTNERS: NAME ______ OUTSIDE NET WORTH

" ______ " " "

" ______ " " "

" ______ " " "

BANK ACCOUNTS: WHERE KEPT OTHER THAN ABOVE ______

MORTGAGES: ON WHAT ASSETS A LIEN ______

AVERAGE TERMS ON WHICH WE SELL ______

AVERAGE TERMS ON WHICH WE BUY ______

(OVER)

Form 2.—Property Statement to be Used by a Firm.

thing, a knowledge of human nature, a sort of sixth sense which gives an insight that is almost intuitive enabling one to read the men who come for loans. That is the bulwark of an institution which will keep it from the hidden rocks.

If business could be done along the lines laid down by the old-time banker who said, "That a determination to pay backed by Government bonds was good enough security for him," there would not be very much use for a credit department. But nowadays so many men come to the bank perfectly willing, if you will only furnish the ships, to supply the ocean on which to float them.

Someone has aptly said, "Show me

the man who would imply that he knows the analysis of credits to the last page, and I will show you the man who rides for a fall." For there are those who will tell you that "Every commercial failure can be predicted."

Fallibility of Human Judgment.

This may work in theory, but practice and experience teach otherwise. Such men would refuse a good loan, and that might injure the bank's profits more than the acceptance of a bad one. Of course, you must be conservative; but you must be progressive and have a proper regard for the bank's advancement, for in dealing with your depositors you must consider that you are not the only bank in town. It is a good deal better to lose a little sometimes than for a credit man to be so careful as to accept nothing but apparently safe loans, and, by being hypercritical and narrow, decline business which may be just as safe, and which may grow to the profit of the concern and his bank. A man who will never accept a bad loan, nor refuse a good one, has reached a "state of grace" not suited for this world.

Business Done on Credit.

Statistics tell us that 95 per cent. of the business of the country is done on credit, and the banks furnish nearly all this credit. If trade was conducted on an actual hand-to-hand money basis, there would be little progress, for it is conceded by all that the economic force that is of the most vital importance in developing the community, bringing wealth and prosperity to the people, is credit—credit backed by character, ability and industry, combined with commercial resources or, as someone has tritely said, "Character, capacity and capital." But there is a cardinal principle that everyone loaning funds of which he is only a steward should remember. Your institution does not share in the profits of the borrower; it should therefore never share in the primary risk.

Facts are the basis of every business transaction and nowhere are facts more requisite than in making credits. It is the duty of a credit department to get these facts and verify them.

The credit department of a bank as a rule holds no authority and is simply

DATE OF ORGANIZATION AND EXPIRATION OF PARTNERSHIP ____________

TIME OF YEAR WHEN NOTES AND ACCOUNTS RECEIVABLE OF CUSTOMERS, UNCOLLECTED, ARE GENERALLY MAXIMUM ____________ MINIMUM ____________

TIME OF YEAR WHEN STOCKS OF MERCHANDISE ON HAND ARE GENERALLY MAXIMUM ____________ MINIMUM ____________

TIME OF YEAR WHEN LIABILITIES ARE MAXIMUM ____________ MINIMUM ____________

STATEMENT: IS IT BASED ON ACTUAL INVENTORY? ____________ IF SO, DATE ____________

VERIFICATION: HAVE THE BOOKS BEEN AUDITED BY A CERTIFIED PUBLIC ACCOUNTANT? ____________ IF SO, NAME AND DATE OF AUDIT ____________

BUSINESS: WHAT KIND OF BUSINESS DO YOU CONDUCT? ____________

BOOKS: WHAT KIND OF BOOKS DO YOU KEEP? ____________

(PLEASE SIGN FIRM NAME) ____________

DATE SIGNED ____________ 190__ BY ____________

PLEASE GIVE PARTICULARS OF EACH PARCEL OF REAL ESTATE

DESCRIPTION	STREET AND NUMBER	CITY OR TOWN AND STATE	TITLE IN NAME OF	ESTIMATED VALUE	MORTGAGES	EQUITY

Form 2.—(Reverse Side).

STANDARD FORM OF STATEMENT FOR CORPORATIONS AS ADOPTED BY NEW YORK STATE BANKERS ASSOCIATION

FROM

ADDRESS

TO NATIONAL

FOR THE PURPOSE OF PROCURING CREDIT FROM TIME TO TIME WITH YOU FOR OUR NEGOTIABLE PAPER OR OTHERWISE, WE FURNISH THE FOLLOWING AS A TRUE AND ACCURATE STATEMENT OF OUR FINANCIAL CONDITION ON ______ 190__, WHICH YOU ARE TO CONSIDER AS CONTINUING TO BE FULL AND ACCURATE UNTIL WE GIVE YOU WRITTEN NOTICE OF CHANGE.

ASSETS	LIABILITIES
CASH ON HAND	NOTES PAYABLE GIVEN FOR MERCHANDISE
CASH IN THE FOLLOWING BANKS	NOTES PAYABLE NEGOTIATED TO OWN BANKS
NAME OF BANK	NOTES PAYABLE OTHERWISE DISPOSED OF
" " "	ACCOUNTS PAYABLE
" " "	DEPOSITS OF MONEY WITH US AS FOLLOWS
	BY ______ $
NOTES RECEIVABLE OF CUSTOMERS (NOT TRANSFERRED)	BY ______ $
ACCOUNTS RECEIVABLE OF CUSTOMERS (NOT TRANSFERRED)	BY ______ $
NOTES AND ACCOUNTS RECEIVABLE OF OFFICERS (NOT TRANSFERRED)	BY SUNDRY PERSONS $
MERCHANDISE FINISHED (HOW VALUED ______)	
" UNFINISHED (HOW VALUED ______)	
" RAW MATERIAL (HOW VALUED ______)	
LAND OWNED BY CORPORATION, USED FOR THIS BUSINESS	BONDED DEBT (WHEN DUE ______
BUILDINGS " " " " " " "	MORTGAGE DEBT
MACHINERY " " " " " " "	CHATTEL MORTGAGES
	TOTAL LIABILITIES
	CAPITAL
	SURPLUS, INCLUDING UNDIVIDED PROFITS
TOTAL	TOTAL

CONTINGENT LIABILITY: NOTES RECEIVABLE OF CUSTOMERS DISCOUNTED OR SOLD AND NOT INCLUDED IN ASSETS ENUMERATED ABOVE

OTHER CONTINGENT LIABILITY

WE HAVE NOT PLEDGED OR ASSIGNED ANY OF THE ABOVE ACCOUNTS RECEIVABLE; OUR ASSIGNED ACCOUNTS RECEIVABLE AMOUNT TO

OTHER ASSETS USED AS COLLATERAL

INSURANCE: ON MERCHANDISE $ ______ BUILDINGS $ ______ MACHINERY $ ______ TOTAL INSURANCE

BUSINESS AND RESULTS: ANNUAL SALES FOR THE YEAR ENDED ______ 190__ OR FROM ______ 190__ TO ______ 190__

GROSS PROFITS ON SALES FOR THE SAME PERIOD

EXPENSE OF CONDUCTING BUSINESS " " " "

NET PROFIT " " " "

OTHER INCOME, INCLUDING INVESTMENTS. " " " "

COMBINED PROFIT " " " "

DIVIDENDS PAID FOR THE PERIOD ______ 190__ TO ______ 190__

BAD DEBTS FOR THE PERIOD ______ 190__ TO ______ 190__

CAPITAL: AUTHORIZED ______ PAR VALUE $ ______ PER SHARE

ISSUED

BANK ACCOUNTS: WHERE KEPT OTHER THAN ABOVE

MORTGAGES AND BONDS ON WHAT ASSETS A LIEN

AVERAGE TERMS ON WHICH WE SELL

AVERAGE TERMS ON WHICH WE BUY

TIME OF YEAR WHEN NOTES AND ACCOUNTS RECEIVABLE OF CUSTOMERS, UNCOLLECTED, ARE GENERALLY MAXIMUM ______ MINIMUM

TIME OF YEAR WHEN STOCKS OF MERCHANDISE ON HAND ARE GENERALLY MAXIMUM ______ MINIMUM

TIME OF YEAR WHEN LIABILITIES ARE MAXIMUM ______ MINIMUM

(OVER)

Form 3.—Property Statement to be Used by a Corporation.

a bureau of ready information. True, the gathering of facts may give impressions that are valuable to the loaning officers and that may be a great help to them. A well-equipped department is a most important adjunct to an up-to-date bank. While the methods differ with the size of the institution, still the principle of obtaining a thorough knowledge of the borrowers underlies them all.

METHODS SUGGESTED.

The filing of papers and memoranda relating to borrowers is best kept in a vertical filing cabinet in large manila

envelopes about 7x10 inches, arranged alphabetically, with the name on the outside. In these envelopes all reports, interviews, statements, etc., can be kept. It is a good plan to take some history of an account when it is opened, using Form No. 1, and should the account close, the reason can be recorded on this sheet.

Those who seek to defraud are so clever that it behooves you to be ever on your guard, and to deal only with borrowers whose honesty is unquestioned. Statements, which most concerns nowadays seem very willing to give, are certainly a test of one's truthfulness and call for much pruning; for while not intending to tell anything that is not true or misrepresent actual conditions, still many exaggerate the value of their resources, for they do not view them in the right light. Credit is usually extended on the strength of quick assets, and many good judges feel that the ratio of quick assets to liabilities should be about $2\frac{1}{2}$ to 1. While a large number of borrowers furnish the statements desired in their own language, the use of printed forms which the banks supply is becoming more general (Forms No. 2, 3, 4, 5).

You should have agency reports, ratings. If Form No. 6 be used, comparison can be made by years, using two principal mercantile agencies, and it can be used also as a file of the borrowers. You should also have statements, interviews, average balances (Form No. 7) highest discount you have extended for the year in "own paper" and in "receivables," amount of "bought paper" and "call loans" (Form No. 8); record of other bank accounts, record of any inquiries, any officer's or director's opinion, their statement condensed with record of what is considered quick assets in different colored ink (Form No. 9). This, of course, calls for much thought, for what is a quick asset in one kind of business is quite a slow one in another; in fact, you should have all you can find out, for it is better to err on the side of asking too much than too little. All this information should be kept as up to date as possible and from year to year for comparison (Forms No. 8, 9, 10, 11).

The weekly sheets of commercial agencies and trade agencies should be carefully perused for changes in your dealers or their customers; in fact, you should, as near as is possible, keep

STATEMENT: is it based on actual inventory? ______ if so, Date ______

VERIFICATION: have the books been audited by a Certified Public Accountant? ______ if so, Name and Date of Audit ______

BUSINESS: what kind of business do you conduct? ______

BOOKS: what kind of books do you keep? ______

(please sign corporation name) ______

Date Signed ______ 190__ By ______

Please Give Particulars of Each Parcel of Real Estate

Description	Street and Number	City or Town and State	Title in Name of	Estimated Value	Mortgages	Equity

Form 3.—(Reverse Side).

a pen picture of the risk you assume.

A valuable adjunct in determining the continuing of credit with your customers is a record of their loans. Most banks call it a "Bill Book" or "Liability Ledger." It is best kept by a loose-leaf system, because this is the only way in which the accounts can be kept together. It should show a record of all paper discounted, whether paid by maker, protested, or paid by your dealer, amount unmatured, and how large

11-25-'99—23 1263

TO THE NATIONAL BANK OF THE CITY OF NEW YORK,

The undersigned, for the purpose of procuring credit from time to time from you for the negotiable paper of the undersigned or otherwise, furnish you with the following statement and information which fully and truly set forth the financial condition of the undersigned on the..........day of..........19........, which you can consider as continuing to be full and accurate unless notice of change is given you. The undersigned agree to notify you promptly of any change that materially reduces the pecuniary responsibility of the undersigned.

In consideration of the granting of such credit, the undersigned agree that if the undersigned at any time fail or become insolvent, or commit an act of bankruptcy, or if any of the representations made below prove to be untrue, or if the undersigned fail to notify you of any material change as before agreed; then and in either such case all obligations of the undersigned held by you shall immediately become due and payable without demand or notice, and the same may be charged against the balance of any deposit account of the undersigned with you, the undersigned hereby giving a continuing lien upon such balance of deposit account from time to time existing to secure all obligations of the undersigned held by you.

ASSETS.				LIABILITIES.			
Cash on hand..........				Bills Payable for Merchandise..........			
Cash in..........Bank..........				Bills Payable negotiated to own Banks..........			
Bills Receivable, all good, due from Customers.......... } $..........				Bills Payable otherwise disposed of..........			
Less Bills Receivable, Discounted and Sold.......... } $..........				Due to Foreign Bankers on account of Credits..........			
Balance of Bills Receivable, all good, on hand..........				Open Accounts, not due..........			
Bills and Accounts Receivable due from Partners..........				Open Accounts, past due..........			
Accounts Receivable, all good, due from Customers..........				Deposits of Money with us by Relatives and Employees, $..........			
Acc'ts and Bills Receivable, doubtful, estimated worth (Face value, $..........)				Others.......... $..........			
Merchandise (at actual present cash value).......... (Of which $..........is in warehouse,)				Of which $..........is on Time, $..........on Demand.			
Machinery and Fixtures..........				Liens or encumbrances on Merchandise or other Assets, aside from Real Estate Mortgages..........			
Real Estate belonging to Firm.......... Estimated market value, $..........				Other Indebtedness, and of what composed.			
Less Mortgages, $..........Net				....			
Other Assets, and of what composed.				....			
....				....			
....				....			
....				Total Liabilities..........			
....				Net Worth..........			
Total..........				Total..........			

Contingent Liability. { Upon Accommodation Endorsements, $.......... Upon Exchanged Paper, $..........
For Guarantees, $.......... For Bonds, $..........

Names in full of all General Partners..........

Individual worth of respective partners outside the business. { ....

Names in full of Special Partners with amounts contributed by each, and until when. { ....

Date of organization and expiration of Partnership..........

State last date of taking trial balance and if same proved..........

Sales for last fiscal year..........

OTHER DATA..........

....

Please Sign Here..........

By..........

Date Signed..........19......

Form 4. — Property Statement.

Form 120—1000—1—'05

For the purpose of inducing THE ______________ BANK OF NEW YORK to extend credit to the undersigned from time to time, by discounting of the negotiable paper of the undersigned or otherwise, the following statement and information is given, setting forth the true financial condition of the undersigned on ______________ 190

In the consideration of the granting of such credit, the undersigned agree—that if the undersigned at any time fail or become insolvent, or commit an act of bankruptcy, or if any of the representations made below prove to be untrue, then and in either such case all obligations of the undersigned held by said Bank shall immediately become due and payable without demand or notice, and the same may be charged against the balance of any deposit account of the undersigned with said Bank.

ASSETS			LIABILITIES		
Cash on hand			Bills payable (for mdse)		
Cash in banks (name them)			Accounts payable		
			Bills payable to banks		
			Other liabilities		
Merchandise at cost					
Accounts receivable (not due)					
Accounts receivable (good but past due)					
Bills receivable					
Fixtures, etc.					
Real Estate (clear)					
Real Estate (equity)					
Other assets			Net worth		
Total			Total		

CONTINGENT LIABILITY: For Guarantees ______________

" Accommodation endorsements ______________

" Bills receivable discounted ______________

In other businesses ______________

None of the above assets are pledged, nor liabilities secured by collateral, except as follows:

____

____

General Partners are ______________

____

Special Partners with particulars ______________

____

Annual sales for last fiscal year ______________

Expenses last fiscal year ______________

REAL ESTATE: Location ______________

Title in name of ______________

Cost ______________

Total Mortgages ______________

Equity as per statement ______________

Sign here ______________

____

Date signed ______________

Form 5.—Property Statement (More Simple).

5-8-1900-500 834

1900		1901		1902		1903		1904	
1905		**1906**		**1907**		**1908**		**1909**	

Form 6. — Ratings in Mercantile Agencies for Comparison.

a loan has been given (Form No. 12).

"Own paper" should be recorded in a different colored ink. It stands out more plainly and saves the work of an extra column.

While one or more of these records alone may not be a guide to the credit line, still, taken together, they are buoys to help you over financial seas; some of them silent, like the spar buoy, but others, like the bell buoy, ringing their note of warning loud and clear.

Mercantile agency reports certainly have their value. Though far from being infallible, they are a great help, seldom speaking ill without good cause.

Average balances, while sometimes "cooked up" in order to look well in applying for a loan, are, in the vast majority of cases, helpful guide-posts.

A report of other bank accounts is very valuable. The officials of banks can confer and certainly be great helps to one another. Directors' opinions of

Average balance of ____________________ for ______

	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910
JAN.										
FEBY.										
MCH.										
APL.										
MAY.										
JUNE.										
JULY.										
AUG.										
SEPT.										
OCT.										
NOV.										
DEC.										
Yearly Average										

Form 7. — Average Balances.

File No.________

NAME__________________________ BUSINESS__________________________

ADDRESS__________________________

ACCOUNT OPENED__________________ INTRODUCED BY__________________

Average Balances							
First Six Months . . .							
Second Six Months . .							
Highest Discount, Single .							
Do. Discount, End. . .							
Do. Discount, B-R. . .							
Total							
Loan Department							
Purchased Paper							

ENDORSER__________________________

OTHER BANK ACCOUNTS__________________________

[OVER

Form 8.

borrowers, particularly if they are in the same line of business, are valuable. Such opinions are better than the views of an outsider, because the former have the bank's interests at heart.

Cash in bank is a quick asset, cash on hand may be, and may be I. O. U.'s, merchandise in some cases, such as food products, iron, leather, cotton and wool; possibly, tobacco, though the brand

STATEMENT RECAPITULATION

Date of Statement							
Gross Assets							
Quick Assets							
Liabilities							
Worth							
Statement from							
Bradstreet's Rating . . .							
Dun's Rating							

Firm Composed of__________________________

Outside Interests of Partners__________________________

____

REMARKS__________________________

____

____

____

[OVER

Form 9.

Form No. [illegible]

FIRMS

NATIONAL BANK **NEW YORK**

COMPARISON OF STATEMENTS

LINE OF CREDIT............

ASSETS					
Cash on hand............................					
Cash in................Bank...					
Bills Receivable, all good, on hand................					
Bills and Accounts Receivable due from Partners.					
Accounts Receivable, all good, due from Customers					
Accounts and Bills Receivable, doubtful............					
Merchandise (at actual present cash value)..........					
Machinery and Fixtures					
Real Estate belonging to Firm, less mortgages....					
Other Assets, and of what composed.					
TOTAL,					

LIABILITIES					
Bills Payable for Merchandise..........					
Bills Payable negotiated to own Banks					
Bills Payable otherwise disposed of.....					
Due to Foreign Bankers on Account of Credits..					
Open Accounts, not due....................					
Open Accounts, past due....					
Deposits of Money with us					
Liens on Merchandise or other Assets, aside from R. E. Mortgages					
Other Indebtedness and of what composed.					
Total Liabilities..............					
Net Worth.					
TOTAL,					
TOTAL QUICK ASSETS...					
LIABILITIES........					
EXCESS—QUICK					
Sales.......					
Rating: Bradstreet.					
Rating: Dun......................................					
Discounts & Purchased Paper (Commerce) Highest					

Form 10.

must be of a kind that can be used generally, is a quick asset, while jewelry, millinery, perishable goods, etc., are quite slow ones.

Accounts receivable and bills receivable when sifted down are quick assets. Machinery, electrotypes, real estate, fixtures, leases, patents, etc., while valuable in most cases to a going concern, are very uncertain when it stops business. Accounts payable should be looked into, also notes payable, and contingent liabilities, which might change the entire aspect of the concern, should be well ventilated.

It is also the duty of the credit department to investigate paper offered by brokers which is frequently taken at the option of returning in ten days if not satisfactory (Form No. 13).

It is not any indication of weakness because a dealer does not bargain for a low rate. While some men always want a rate below the prevailing one, many, in all their dealing, know what a fair value is and give it without question.

Name
Business

The National Bank of the City of New York.

Comparison of Statements—CORPORATIONS.

ASSETS.			INCREASE DECREASE		INCREASE DECREASE		INCREASE DECREASE		INCREASE DECREASE		INCREASE DECREASE	FIVE YEARS INC. or DEC.
Cash on hand and in Banks												
Notes Receivable of Customers												
Accounts Receivable of Customers												
Merchandise of All Kinds												
Sundry Other Liquid Assets												
INCREASE												
DECREASE												
TOTALS and NET INCREASE or DECREASE												
Land, Buildings, etc.												
Machinery, Fixtures, etc.												
Investments, etc.												
Sundry Other Items												
INCREASE												
DECREASE												
TOTALS and NET INCREASE or DECREASE												
TOTAL												
Total Quick Assets												
Current Liabilities												
EXCESS Quick Assets Over DEBTS												
OUTSIDE WORTH of Endorsers of Paper												

LIABILITIES.			INCREASE DECREASE		INCREASE DECREASE		INCREASE DECREASE		INCREASE DECREASE		INCREASE DECREASE	FIVE YEARS INC. or DEC.
Notes Payable												
Accounts Payable												
Deposits of Money												
Other Current Liabilities												
INCREASE												
DECREASE												
TOTALS and NET INCREASE or DECREASE												
Bonds or Other Underlying Debts												
Capital												
Surplus and Undivided Profits												
INCREASE												
DECREASE												
TOTALS and NET INCREASE or DECREASE												
TOTAL												TOTAL FIVE YEARS
Dividends Paid During the Year												
Added to Surplus and Profits												
INTEREST on Bonds or Increased Reserves												
TOTAL EARNINGS												
SALES												

Form 11.—Comparison of Statements (Corporations).

SHEET NO ________ NATIONAL BANK, NEW YORK

	DATE OF DISCOUNT	MAKER		RATE %	DATE	OUTSTANDING	AMOUNT	WHEN DUE

Form 12. — Liability Ledger.

1-81-'06-880. 1074

BOUGHT FROM

________ New York, ________ 190

WE HOLD NOW	MATURING	NAME	DUE	AMOUNT	RATE	APPROVED	DIS-APPROVED	Statements	Letters of Inquiry	REPORTS

Option, Expires ________

Extended to ________

" " ________

" " ________

Form 13.

BANKING AND COMMERCIAL LAW

Conducted by John J. Crawford, Esq.,
Author Uniform Negotiable Instruments Act.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States courts and State courts of last resort will be found in the Magazine's Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

ACCEPTANCE OF CHECK BY NEGLECT TO RETURN THE SAME.

A. L. WISNER VS. FIRST NATIONAL BANK OF GALLITZIN.

SUPREME COURT OF PENNSYLVANIA, JANUARY, 1908.

Certain checks drawn upon the defendant were forwarded to it for collection, and the drawer not having sufficient funds on deposit to pay them, the defendant delivered them to a notary public for protest, but the notary held them without protesting them or giving notice of dishonor; and the checks were retained by the defendant for more than two days after their delivery to the defendant. Held, that such retention of the checks by the defendant was an acceptance within Sec. 137 of the Negotiable Instruments act, which provides that "Where a drawee to whom a bill is delivered for acceptance destroys the same, or refuses within twenty-four hours after such delivery, or within such other period as the holder may allow, to return the bill accepted or non-accepted to the holder, he will be deemed to have accepted the same.

MESTREZAT, *J.:* Samuel R. Bullock drew six checks on the defendant bank, in favor of Charles W. Gallaer, Jr., who deposited them in the plaintiff bank in New York city, which credited them to his account in that bank. The first check is dated December 27, 1904, and the last January 3, 1905. The plaintiff sent these checks for collection to the defendant bank, two of them through the First National Bank of Altoona, Pa., and the remaining four through the Farmers' Bank of Pittsburg. On the day they were received the defendant bank handed the several checks to a notary public so employed by it, for the purpose of protesting, and he held the checks without protesting them or giving notice of dishonor. On January 9, 1905, some days after the checks had been delivered to the notary, the cashier of the Altoona bank went to Gallitzin, obtained the checks from the notary, took them to the Gallitzin bank, whose cashier gave the cashier of the Altoona bank a letter to a notary public in Altoona, enclosing five of the Bullock checks, with the request that they be protested for want of sufficient funds in the Gallitzin bank to pay them.

One of the two checks sent by the Altoona bank to the defendant bank was returned to the former bank on the same day. It was conceded by the plaintiff on the trial below, that there could be no recovery for this check.

The other check sent by the Altoona bank and the four checks sent by the Pittsburg bank to the defendant bank were not returned by the defendant to the collecting banks for more than two days after their delivery to the latter

bank. With the one exception, the Bullock checks were not returned to the defendant bank by the notary public to whom they were delivered for protest within twenty-four hours after their receipt from the transmitting bank. The checks, therefore, with the one exception, were not returned to the collecting banks within twenty-four hours after their delivery to the drawee bank, and the defendant in this action.

This is an action of assumpsit brought by the plaintiff, the holder of the checks, to recover the amount of the checks on the ground that the drawee bank, the defendant, had accepted the checks by its refusal and failure to return them within twenty-four hours after their receipt, as required by the provisions of Section 137 of the Act of Assembly of May 16, 101, P. L. 194, 3 Purd. (13th Ed.), 3250, known as the Negotiable Instruments Law.

The defendant claims that it is relieved from liability on the checks because it had refused to accept them and had, on the day of their receipt, delivered them to a notary for protest and dishonor. The learned trial judge was of the opinion and so instructed the jury, that the defendant had not by its conduct "relieved itself from the presumption that it had accepted these checks by any evidence which it had produced in the case," and that the verdict should be for the plaintiff for the amount of the five checks. Subsequently the court on motion of defendant's counsel entered judgment for the defendant *non obstante veredicto* on the entire record. The learned court, in its opinion entering judgment for the defendant, held that under the negotiable Instruments Law it was necessary for the holder, in order to recover against the drawee bank, to prove a conversion of the checks, and that the mere retention of them for more than twenty-four hours, without a demand for their return, is not a refusal within the meaning of the statute. The plaintiff has taken this appeal.

Unaffected or uncontrolled by statute, an acceptance of a bill of exchange may be implied from the conduct of the drawee. Such acts or conduct on his part which indicate clearly an intention to honor the bill and from which the drawer may infer such intention, is regarded as an acceptance, and will impose liability on the drawee. This rule, however, well used, gives rise to great uncertainty as to what conduct or acts of a drawee are equivalent to an acceptance of a negotiable paper. Unreasonable retention as well as the destruction of the bill, retaining sufficient funds to meet an outstanding check by the drawee in settling the drawer's account, and other circumstances, are regarded as an implied acceptance. But what are a prolonged or unreasonable detention of the bill and other circumstances, should be considered or held to be an acceptance by implication are necessarily questions of fact for the jury (Northumberland Bank vs. McMichael, 106 Pa. 460); and hence the liability of the drawee or an alleged acceptance is not determined by any fixed rule or standard, but whether the jury thinks that the drawee's conduct amounts to an implied acceptance. This necessarily leaves the question of acceptance of the bill in the domain of uncertainty, and affects very seriously its value. It is true there is an implied obligation on the drawee to act promptly in accepting or refusing a bill of exchange, but the law merchant gives no definite or fixed method by which to determine whether he has performed the implied duty.

Within the last few years the legislatures of several of the states have codified the law on the subject of negotiable instruments. Some of the provisions of the several statutes are simply declaratory of the existing law, while others have altered or changed the law as heretofore declared. The purpose of the legislation is to produce uniformity on the subject among the several states, and to make certain and definite by statute the rules of the law governing negotiable paper. The acts in the different states are very similar, many of

their provisions being identical in language, and the manifest purpose of all is, as far as possible, to prescribe definite and fixed rules regulating the entire subject.

In closing the opinion of the Supreme Court of Appeals of Virginia in Baltimore & Ohio Railroad Co. vs. First National Bank of Alexandria (102 Va. 753), a case involving the construction of certain provisions of the Negotiable Instruments Law of that state, Keith, president, very aptly said (p. 757): "This opinion might be greatly prolonged by citation of conflicting cases, and a discussion of the discordant views entertained by courts and text writers of the greatest ability on these questions, but the object, as we understand it, of the codification of the law with respect to negotiable instruments was to relieve the courts of this duty, and to render certain and unambiguous that which had theretofore been doubtful and obscure, so that the business of the commercial world, largely transacted through the agency of negotiable paper, might be conducted in obedience to a written law emanating from a source whose authority admits of no question."

In view of the rulings in some of the decisions interpreting the Negotiable Instruments Law, however, it may not be inappropriate to know the suggestion of the learned president of the 14th annual conference of Commissioners of Uniform State Laws, who said, "However clear the statute (Negotiable Instruments Law), there is an unfortunate tendency of the courts to fall back to the old law."

The Negotiable Instruments Law of this state was approved May 16, 1901, and went into effect on the first Monday of September of that year. The part of the act requiring interpretation in this case, and on which the plaintiff relies to recover, is section 137 P. L. 212, 3 Purd. (13th. Ed.), 3307, and is as follows:

"Where a drawee to whom a bill is delivered for acceptance destroys the same, or refuses within twenty-four hours after such delivery, or within such other period as the holder may allow, to return the bill accepted or non-accepted to the holder, he will be deemed to have accepted the same."

The plaintiff claims that the failure or neglect of the defendant bank to return the five checks in suit to the holder or the collecting bank within twenty-four hours after their delivery was a refusal to return the checks within the meaning of this section of the act, and that therefore the defendant must "be deemed to have accepted the same."

The defendant contends that the section of the law just quoted does not apply to a check presented to a drawee for payment; that if it does, the "refusal" in the act means a tortious or wrongful refusal to return, amounting to a conversion of the check; that there was no refusal by the defendant bank to return the check, either express or implied, and that the defendant bank did not hold the checks, "but promptly refused payment and passed each of them on to the notary public, the next person to receive a dishonored bill under the custom of banks."

The contention of the defendant bank that section 137 of the act does not apply to a check presented to a drawee for payment is answered adversely to its position by the act itself. (Section 185, P. L. 219, 3 Purd. [13th Ed.], 3314, provides as follows: "A check is a bill of exchange, drawn on a bank, payable on demand."

No provision of the act has been pointed out, and we know of none making section 137 inapplicable to bank checks presented for payment. On the contrary, there is every reason why the section should apply, and the drawee should give prompt notice of acceptance or refusal. The holder and endorser of a check are interested in knowing at the earliest time whether the drawer has sufficient funds in the bank for payment of the check, and especially should they be advised as promptly as possible if he has no funds and the check is to be dishonored. Delay in furnishing this information may result in the loss of the amount of the

check to the holder. We think it apparent that it is quite as important to have a check, payable on demand, returned promptly to the holder as to require the prompt return of an ordinary bill of exchange.

If the section applies to the checks presented to the drawee bank in the case in hand, and this question will be considered and determined later, the act of the bank in delivering the checks to a notary public for protest was not a compliance with the section and did not relieve the drawee from liability. While protesting a bill of exchange or check is permissible, it is not mandatory under the Negotiable Instruments Act, as Section 118 specifically provides that "Protest is not required except in the case of foreign bills of exchange," and Section 152 declares that where a bill does not appear on its face to be a foreign bill, protest thereof in case of dishonor is unnecessary." In view of the fact that the act declares a check to be a bill of exchange drawn on a bank, payable on demand, and that the provisions of the Act apply to checks, protesting the checks for non-acceptance by the drawee bank, in this case, was wholly unnecessary and could in no way affect its liability on the checks under section 137 of the act.

We now come to the principal and controlling question in the case, and that is, whether the failure to return the checks to the holder of the collecting bank within twenty-four hours after their delivery to the defendant was a refusal to return the checks within the meaning of section 137 of the act, or does the act contemplate a tortious refusal amounting to a conversion of the checks, as claimed by the defendant and as held by the court below?

The drawee to whom a bill is delivered for acceptance is deemed or taken to have accepted it under this section of the act; (a) where he destroys it, (b) where he refuses within twenty-four hours after delivery to return the bill accepted or non-accepted to the holder, and (c) where he refuses within such other period as the holder may allow to return the bill accepted or non-accepted to the holder. When either of these conditions exist, the drawee becomes an acceptor of the bill and assumes liability as such. An implied or verbal acceptance of a bill is abolished by the act, and there are only two methods by which a bill may now be accepted; 1, in writing signed by the drawee as provided in section 132, and 2, by a non-return of the bill as provided in the section under consideration.

The manifest purpose in requiring the prompt return of the bill is in the interest of and for the protection of the holder. It is immaterial to the drawer when the bill is returned, as he is protected by notice of dishonor, and hence this section of the act, requiring prompt action in returning the bill, was obviously enacted for the benefit of the holder of the bill. The act declares in section 136 that twenty-four hours is sufficient time for the drawee to decide whether or not he will accept the bill, and the section under consideration, having allowed this time, it requires him to return the bill accepted or non-accepted. Now if a demand and refusal are conditions precedent to an acceptance under this section, then the holder must not only present the bill for acceptance, but he must make a demand for its acceptance and await a specific refusal before the drawee is deemed an acceptor. This would certainly not be to the convenience or the interest of the holder, but in direct opposition to both. It would afford the holder less protection, and would in effect prevent the return of the bill within twenty-four hours; or it would require the holder in transmitting the bill with instructions to present it for acceptance, to send at the same time a demand for its acceptance. It is obvious that such demand accompanying a presentation of a bill for acceptance is wholly unnecessary, and certainly was not in contemplation of the Legislature in enacting the section.

The presentation of a bill for acceptance is a demand for its acceptance which, if the bill is retained by the

drawee, implies a demand for its return if acceptance is declined, in contemplation of the Negotiable Instruments Law. The purpose of presenting a bill of exchange to the drawee is to require him to accept and assume liability for its payment, or to refuse its acceptance and therefore avoid liability. When the bill is presented, action by the drawee is therefore demanded of him, and he cannot remain silent and inactive without incurring the statutory penalty prescribed for such conduct. He can accept at once or he may retain the bill for consideration. If he does the latter, he must return the bill accepted or not accepted at the expiration of twenty-four hours. If he accepts he is required to do so in writing and must return the bill. If he refuses he must return the bill not accepted. If he fails to do either—return it accepted or not accepted—he is "deemed to have accepted the bill" under this section of the Act, and is liable thereon to the holder. It is apparent, then, that in the enactment of this section of the statute, the legislature regarded the presentation for acceptance as a demand for an acceptance, which, when the bill is retained by the drawee, implies a demand for its return within the time specified, and that therefore, the neglect or failure to return is a refusal to return the bill. And this is more clearly disclosed as the true interpretation of the word "refuses" in this connection, when we consider that the consequences to the holder of the non-return of the bill is the same whether it follows a demand additional to the presentation for acceptance and refusal, or simply a neglect or failure to return after the demand implied by its presentation for acceptance. If the section has in view the protection of the holder, as it manifestly has, then it was evidently the intention of the legislature that the non-return of the bill within the specified time, regardless of the cause, will make the drawee an acceptor.

The law merchant discourages laches in parties to negotiable paper, and demands prompt action in the performance of the duties imposed upon them. It was not the intention of the legislature in the enactment of the Negotiable Instruments Law to abolish this rule, and to encourage delay or inaction in the holder or drawee of such paper. The intention of the section in question was to expedite action by the drawee in accepting or refusing a bill, presented and retained by him, and to fix a definite time, which has previously been uncertain, in which he should act on the bill. He is granted twenty-four hours after delivery and not after a demand for a return of the bill in which he must accept or decline to honor it. The time for returning the bill to the holder does not begin to run from the demand, but from the date of its delivery. The drawee must therefore act within twenty-four hours from the date of the delivery of the bill, whether his action be an acceptance or refusal. The section gives no other alternative and makes no other provision either by failure or neglect. Hence, action being required of the drawee, and one of the two alternatives being open to him, if he does not accept and return the bill, it will be deemed accepted if the bill by his default remains in his hands beyond the time limit. He refuses to return the bill in contemplation of the act, when if in case while in the drawee's control it is not sent to the holder in the specified time. There can be no reason, and we will not assume that the legislature intended to do an unreasonable thing, why the law should make a distinction between the non-return of the bill by refusal to return after a specific demand, and the failure or neglect to return after a demand implied by the presenting of the bill for acceptance. If such should be the proper interpretation of the section and a formal demand be necessary, then there is no provision in any part of the entire act imposing a penalty for the default or neglect of the drawee to return the bill, although the consequences of such act on the part of the drawee is as prejudicial to the holder as if a refusal to return the bill had

followed a prior specific demand. There is, however, no such *casus omissus* in the act, but the enforcement of the return of the bill, accepted or non-accepted, within the time designated, being the primal object of the section the cause of its detention is wholly immaterial, and cannot affect the drawee's liability as an acceptor.

The construction we place on section 137 is necessary to protect the holder of negotiable paper, it furnishes a complete statutory remedy for a default of the drawee in acting on the paper when retained by him, and it is no violence to the language employed in the section. It carries out the obvious intent of the legislative mind in the enactment of the section, and it is a fixed and certain rule to govern the drawee, and the holder in the former's action on negotiable paper presented to and retained by him.

Our interpretation of the statute evidently coincides with the legislative construction placed upon a similar statute in the State of Wisconsin. In enacting a Negotiable Instruments Law, the legislature of that state added to a section of it similar to section 137 of our act a proviso "that the mere retention of the drawee will not amount to an acceptance." The logical inference is that the same retention of the bill would be an acceptance within the meaning of the language of our statute which contains no such proviso.

It is not accurate to say, as suggested by the appellee, that under the Negotiable Instruments Law a bill can only be accepted by writing, signed by the drawee. It is true that verbal and implied acceptance have been abolished by section 132, which provides that the acceptance must be in writing and signed by the drawee. But section 137 involved in this case declares that the action of a drawee in destroying a bill or in not returning it, as required by the section, shall be deemed an acceptance of it. An acceptance of a bill under this section is as effective to charge the drawee as an acceptance in writing under section 132. Nor do the two sections in any way conflict. The former section requires affirmative action on the part of the drawee by assuming liability by a writing, the latter section declares his liability if he destroys the bill, or if by inaction he retain the bill beyond the specified time. An acceptance under either section obligates the drawee to pay the bill.

In the State of New York, a Negotiable Instruments Law has been enacted, and a section similar to section 137 of our act is included in the statute. The Supreme Court of that state in State Bank vs. Weiss, 91 N. Y. Supp. 276, has construed this section of the statute in conformity with the meaning we have given our own act. The case was decided in 1904, and it does not appear to have been carried to the Court of Appeals of the state. It was an action on a check drawn on a branch bank of the plaintiff, and was paid by the plaintiff by the allowance of a credit at the clearing house. It was afterwards discovered that the drawer had no funds in the bank, and this suit was brought to recover from the endorsers six days later. It was held there could be no recovery; that a check was a bill of exchange, payable on demand; and that under the Negotiable Instruments Law a drawee will be deemed to have accepted a bill when he does not return it within twenty-four hours after its delivery for acceptance.

Matteson vs. Moulton, 79 N. Y. 627, relied upon by the court below and the appelle here, was decided by the Court of Appeals in 1880, and the syllabus of the case states that the court held that "refusal" in the New York statute in "an affirmative act or is made up of conduct tantamount to one, (and) it is also a wilful wrongful act." But the facts of the case do not require the court to determine whether the failure or neglect to return the bill within twenty-four hours was a refusal to return it within the meaning of the act. The bill was sent to the office of the defendant who retained it for three or four months with the consent of the

plaintiff, and under a promise to pay, relied on by the plaintiff. It will therefore be observed, that the facts of the case did not require the court to determine whether the mere retention of a bill of exchange for twenty-four hours after its delivery to the drawee would constitute an acceptance. Again: if the case is still authority in that state for an interpretation of the act, it is singular that it is not cited or referred to in the very recent case of State Bank vs. Weiss, supra, in which the court gave an interpretation of the same section in the Negotiable Instruments Law of that State diametrically opposite to the construction of the act announced in the Matteson case.

In construing similar acts, the Supreme Courts of Arkansas and Missouri seem to have held that a non-return of the bill was not a refusal in the absence of a demand of proof that the drawee had refused to return the bill. The learned counsel for the appellee also cites in support of its construction of the act, Westberg vs. Chicago Lumber & Coal Co., 117 Wisconsin 589. But this case is not authority for the proposition. The learned justices who delivered the able, if not convincing opinion in the case, discussed the question and arrived at that conclusion, but the instrument sued on was a non-negotiable bill of exchange, and hence the question was not involved in the case. This is conceded by the learned judge in closing his opinion, reversing and remanding the case for new trial, wherein he said (p. 595): "It seems clear from the title that the codifying law of 1899 is intended to regulate only negotiable instruments. It therefore does not affect or control the rights of the parties upon this paper.

We are of the opinion that under section 137 of the Negotiable Instruments Law of this state, that the failure or neglect of a drawee to whom a bill is delivered for acceptance to return the bill, accepted or non-accepted, to the holder within twenty-four hours after the delivery, makes the drawee an acceptor of the bill.

It therefore follows in the case in hand that the defendant bank having failed to return the five checks to the collecting bank within twenty-four hours after their delivery to the drawee, the latter must be deemed to have accepted the checks and is therefore liable to the plaintiff for the amount of them.

The judgment *non obstante veredicto* in favor of the defendant is reversed, and judgment is now directed to be entered by the court below on the verdict in favor of the plaintiff and against the defendant.

GUARANTY BY NATIONAL BANK.

R. ROSS APPLETON, AS RECEIVER OF THE COOPER EXCHANGE NATIONAL BANK VS. THE CITIZENS' CENTRAL NATIONAL BANK.

COURT OF APPEALS OF NEW YORK, JANUARY 7, 1908.

The power of a National Bank to bind itself by a contract of guaranty is limited by the extent of its interest in the subject-matter of the guaranty.

But though the contract of guaranty is broader than the interest of the bank in the subject-matter, the bank may be liable to the extent of the benefits received by it.

THIS action was brought upon a guaranty in the following form: "For and in consideration of one dollar and other good and valuable considerations the Central National Bank of the City of New York hereby guarantees to the Cooper Exchange Bank the payment at maturity of a loan of twelve thousand dollars, made this day to Mikael Samuels & Co. by the Cooper Exchange Bank."

Out of the loan so obtained Samuels paid to the Central National Bank the sum of $10,000, which he then owed to it. Samuels failed to pay any part of the loan, except $1,000, and judgment was demanded against the guarantor for $11,000.

CULLEN, *Ch. J.*: The plaintiff has been defeated on the theory that the execution of the guaranty by the de-

fendant bank was *ultra vires* and not binding upon it, and upon this ground the judgments below are sought to be sustained. Had the guaranty been limited to the amount which the bank, under its agreement with Samuels, was to receive out of the loan, we should be entirely clear that it was within the legitimate powers of the bank under the decisions of the Supreme Court of the United States in People's Bank vs. National Bank (101 U. S., 181) and Cochrane vs. United States (157 U. S., 286). It was there held that a contract of guaranty of paper held by it was within the implied powers of a national bank, and this though, as in the later of the cases cited, the note was not made to the guaranteeing bank, but directly to the order of another bank to which the guaranty was made.

We think, however, that the defendant's power to guarantee was limited by the extent of its interest in the subject-matter of the guaranty. To allow a bank to guarantee the payment by one of its debtors of a larger sum in order that the bank might receive or retrieve a lesser sum would be to permit it to enter upon very hazardous speculation and authorize very wild and unsafe banking. The learned counsel for the appellant frankly conceded on the argument that a recovery should be limited to the amount received by the defendant. It is insisted, however, that the contract of guaranty must be deemed either good or bad as an entirety, and cannot be upheld in part and rejected in part. I am not willing to concede this claim, but it is unnecessary to discuss it, for its determination is not necessary to the decision of the case.

We may assume that the contract was *ultra vires*. We may further assume that in transactions by national banks we should adopt the law of *ultra vires* as it prevails in the Federal courts, and not the local law on the subject. Yet the defendant, in our opinion, became plainly liable for the amount which it received under the *ultra vires* contract. The law which obtains in this state and in several other jurisdictions is that where one party has received the full benefit of an *ultra vires* contract he cannot plead the invalidity of the contract to defeat an action upon it by the other party. (Bath Gas Light Co. vs. Claffy, 151 N. Y., 24.)

A contrary rule obtains in the Supreme Court of the United States. There it is held that the execution of an *ultra vires* contract by one party cannot confer upon it validity or authorize the party to sue on its obligations (Central Transportation Co. vs. Pullman Palace Car Co., 139 U. S. 24) but at the same time it is also held that a party cannot retain money or property received by it under an *ultra vires* contract when it refused to perform that contract. (Logan County Bank vs. Townsend, 139 U. S., 67.) It was there said by Judge Harlan: "The bank in this case, insisting that it obtained the bonds of the plaintiff in violation of the act of Congress, is bound, upon being made whole, to return them to him. No exemption or immunity from this principle of right and duty is given by the National Banking Act. 'The obligation to do justice,' this court said in Marsh vs. Fulton County (10 Wall., 676, 684), 'rests upon all persons, natural and artificial, and if a county obtains the money or property of others without authority, the law, independently of any statute, will compel restitution or compensation.'"

In a great many cases the difference between the law prevailing in the Federal courts and that of our own would lead to great difference in results. In this case, however, as the plaintiff disclaims any right to recover beyond the amount actually received by the defendant, the result is exactly the same whether we adopt the rule of one or of the other. Whatever the difference of view there may be as to the effect of *ultra vires* on corporate contracts, in no jurisdiction can a party retain what it has received under such a contract and refuse to perform the contract.

It is urged by the counsel for the respondent that payment by its debtor of

the claim it held against him constituted no consideration for the guaranty, for the debtor was bound to perform his obligation. There is no force in this suggestion. The money the defendant received was not that of Samuels, but the plaintiff's, and Samuels was merely the conduit through which it was paid to the defendant. It is not a question of consideration between Samuels and the plaintiff, but of consideration between the plaintiff and the defendant. The plaintiff parted with its money solely on the guaranty of the defendant. Whoever heard that the loan of money to the principal was not sufficient consideration for the obligation of the surety? In this case it was the surety who got the money.

Nor is there any force in the suggestion that this action is not brought in disaffirmance of the contract for money had and received, but on the contract of guaranty. All the facts are set forth in the complaint, and if these facts entitle the plaintiff to relief on any theory, then the complaint states a good cause of action.

The judgments of the Appellate Division and Special Term should be reversed and judgment rendered for plaintiff on demurrer, with costs in all the courts, with leave, however, to the defendant within twenty days to withdraw demurrer and serve answer upon the payment of such costs.

Gray, Haight, Werner, Willard Bartlett and Hiscock, JJ., concur; Edward T. Bartlett, J., taking no part. Judgment accordingly.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B.A., LL.B., Barrister, Toronto.]

INSOLVENT CHARTERED BANK —CRIMINAL ACTS OF GENERAL MANAGER— PAYMENT OF DIVIDENDS OUT OF CAPITAL —DUTIES OF DIRECTORS DEFINED—CIVIL LIABILITY OF DIRECTORS.

STAVERT, LIQUIDATOR OF THE BANK OF YARMOUTH VS. THE HONORABLE JOHN LOVITT, ET AL.

STATEMENT OF FACTS: The Bank of Yarmouth suspended payment March 6, 1905. Under the provisions of the Banking Act the plaintiff was appointed curator and afterwards was appointed liquidator by the court. At the date of its suspension the defendants were the directors of the Bank and the Honorable John Lovitt was president. With one exception all the defendants had been directors during the whole period involved in this action.

THE main cause of the insolvency of the bank was its dealing with the firm of W. H. Redding & Sons, shoe manufacturers. On December 31, 1900, the total liability of this company to the bank was $239,942, which steadily grew until on December 31, 1904, it had risen to $493,522. The bank's deposit receipts had steadily declined from $524,250 in 1900 to $237,811 in 1904. The advances to W. H. Redding & Son were made by allowing the firm from time to time to overdraw its account and by accepting and discounting bills of exchange which proved to be worthless. In fact, many of the bills discounted by the bank were represented to be drawn against shipments which had never been made. A great many of the drafts came back dishonored or unaccepted and instead of being taken up by the firm they were retained in the bank or in some instances redeemed by renewal drafts on the same parties. In the meantime the worthless drafts were held by the bank and treated as valuable assets, and this course of dealing was carried on during seven years while the defendants were directors. The account of Messrs. Redding & Sons was several times before the directors, but the general manager never allowed the president or oth-

er directors to know that there was anything unsatisfactory about the account. In answer to their enquiries he constantly assured them that the firm were getting along all right and that he held good customers' paper to cover their indebtedness.

None of the directors of the bank had any previous banking experience or knowledge of practical banking. They placed implicit confidence in their general manager who was a banker of long experience and trained in one of the oldest and strongest banks in the Dominion and was everywhere regarded as a man of integrity and sound banking judgment. In August, 1904, local rumors and the necessity for the Bank of Yarmouth to borrow money caused the directors more carefully to investigate the statements submitted to them by their general manager than they had previously done, with the results that an outside inspector was obtained and the bank shown to be in a hopelessly insolvent condition, so that upon its winding up all its assets were wiped out and the shareholders compelled to pay over $260,000 on their double liability.

Before this action was commenced the general manager had been prosecuted and convicted on a charge of making false returns to the Finance Department under the Bank Act.

This action was brought by the liquidator to recover from the defendants upon the following grounds:

That they were guilty of misfeasance, or breach of trust, in authorizing payment of the dividends to shareholders when to their knowledge none were earned.

That they authorized the payment of dividends and by so doing impaired the capital of the bank, and that they did not out of the profits make good the capital so impaired.

These claims are made under section 58 of the Banking Act which provides as follows:

"No dividend or bonus shall ever be declared, so as to impair the paid-up capital of the bank.

"The directors who knowingly and wilfully concur in the declaration or making payable of any dividend or bonus, whereby the paid-up capital of the banks is impaired, shall be jointly and severally liable for the amount of such dividend or bonus, as a debt due by them to the bank."

The defendants in their pleadings deny specifically all these charges, that they had any knowledge that dividends were paid out of the capital, or that the payment of the dividends did impair the capital of the bank. The payment of dividends complained of extended from August, 1900, to the date of the bank's suspension.

Other charges are made, that they misled the shareholders by the issue of improper balance-sheets and statements which, under the Banking Act, they were obliged to make, and with sending false returns as to the condition of the bank to the Finance Department.

They are also charged with violating the provisions of the Banking Act by becoming purchasers of real estate.

The plaintiff's claim is for an account of the dividends improperly paid out by which the capital of the bank was impaired and repayment by the directors, and also an account of the moneys lost to the bank by reason of their dealings and transactions with W. H. Redding & Sons.

JUDGMENT: The element of fraud does not enter into this case, and may therefore be entirely eliminated from consideration in determining on the question of defendants' liability. Before examining into the facts and reporting my findings thereon, it will be useful to ascertain the extent of the directors' liability in view of some of the leading authorities on the subject.

In the absence of fraud, it is settled that directors are only liable for gross negligence in the management of bank affairs. It is further clear that they are not responsible to stockholders for losses happening through their mismanagement when they have used ordinary diligence and acted in good faith; or, in other words, when they

have acted honestly and in good faith and within their powers and the discretion given to them, they can not ordinarily be held liable for losses arising from mere mismanagement or mistake. They are liable, however, for errors of judgment committed through recklessness or want of ordinary prudence, knowledge or skill. (Vide Overend & Gurney, L. R. 4 Ch. 701, 5 H. L. C. 480.)

In discussing this case Thompson (p. 539) says:

"This case, then, is only valuable as containing a clear recognition of the rule that directors of a corporation are not liable to the corporation for mistakes of judgment which fall short of what is termed *crassa negligentia,* however disastrous such mistakes may be.

"In all these cases, then, the question is, Have the directors been guilty of negligence of a gross and flagrant character? Whether they have or not must always be a question of fact depending upon the circumstances of each case. No rule can, therefore, be laid down by which to solve it. But while this is true, it is none the less true that some standard ought, if possible, to be adopted for a guide in solving it. This standard obviously ought not to be the exacting standard of the legal scholar. Still less, perhaps, ought it to be the standard of the Chancellor, whose whole official life has been a course of dealing with business failures and insolvent corporations. It ought to be the standard of business and financial men, who understand and appreciate the hopes, the motives and the surroundings with which ventures are gone into. More briefly, the standard of care required ought to be the business man's standard of care and not the standard of the student or of the judge."

The case of Dovey vs. Cory (1901 A. C. p. 485) presents in very forcible terms the measure of responsibility attached to directors. The Lord Chancellor says:

"The charge of neglect appears to rest on the assertion that Mr. Cory, like the other directors, did not attend to any details of business not brought before him by the general manager or the chairman, and the argument raises a serious question as to the responsibility of all persons holding positions like that of the directors, as to how far they are called upon to distrust and be on their guard against the possibility of fraud being committed by their subordinates of every degree. It is obvious that if there is such a duty, it must render anything like an intelligent devolution of labor impossible. Was Mr. Cory to turn himself into an auditor, a managing director, a chairman, and find out whether auditors, managing directors and chairman, were all alike deceiving him? That the letter of the auditors was kept from him is clear. That he was assured that provision had been made for bad debts, and that he believed such assurances, is involved in the admission that he was guilty of no moral fraud; so that it comes to this—that he ought to have discovered a network of conspiracy and fraud by which he was surrounded and find out that his own brother and the managing director (who have since been made criminally responsible for frauds connected with their respective offices) were inducing him to make representations as to the prospects of the concern and the dividends properly payable which have turned out to be improper and false. I cannot think that it can be expected of a director that he should be watching either the inferior officers of the bank or verifying the calculations of the auditors himself. The business of life could not go on if people could not trust those who are put into a position of trust for the express purpose of attending to details of management. If Mr. Cory was deceived by his own officers, and the theory of his being free from moral fraud assumes under the circumstances that he was, there appears to me to be no case against him at all."

And Lord Davy in the same case p. 761, says:

"There is no case, it is believed, in which directors have been held answerable for losses sustained by their mere innocent mistake, not unless that mistake has been accompanied by some fraudulent, or at least suspicious, conduct or motive."

With the above extract pointing out the nature and measures of responsibility of the directors, I now turn to the evidence in which it is sought to charge the defendants in this case.

The learned trial judge then reviewed in detail the evidence which has been summarized above.

If the directors had knowledge of the condition of the bank affairs of which those stated are a mere outline, and with this knowledge permitted it to continue and year after year sanctioned the declaration and payment of the dividends, it would, in my opinion, amount to such gross negligence on their part as to render them responsible for the losses sustained by the bank and its shareholders, at any rate for such losses and such payments of dividends as happened after it came to their knowledge. The question, then, in respect to both charges is whether knowledge has been established.

It strikes me as it must every one that the management of the bank's affairs by the directors was weak; but in considering the effect of the whole evidence, it is plain to be seen that the want of closer investigation was due to their overweening confidence in the integrity and ability of Johns, the cashier, and that this official kept them designedly in the dark as to the real state of the bank, especially in regard to the Redding account, and that matters in this way were allowed to drift from bad to worse until the culmination of the insolvency came. That while they were alarmed after getting the statement of Johns in August, 1904, they did not even then know or appreciate the full extent of the bank's loss, not until revealed to them by Thorne after his inspection.

The learned counsel for plaintiff in his admirable brief has suggested some nine reasons why, independently of Johns' conduct, the directors should have known the condition of the bank, or the true position of Redding's account.

(1) The decline in the bank assets.

(2) The change from the Royal Bank to the Bank of British North America.

(3) The question to the Chairman at the annual meeting of 1904 as to rumors current respecting the bank.

(4) The admission that the Reddings local paper was not looked after well, renewals frequent and payments small.

(5) That no reduction had been made in the mortgage to the bank for twenty years.

(6) Local knowledge of the reputation of Reddings' solvency.

(7) The necessity to borrow from the Bank of Nova Scotia.

(8) The statement of August 18, 1904, showing the hopelessly insolvent state of the Reddings.

(9) That, as business men, they should have known the impossibility of Reddings competing with other large manufacturers.

Now, while the evidence sustains all these positions, and they appeal so strongly to the sense of business men that they should have opened the eyes of the directors to the perilous state of the bank's affairs, yet, as I understand the law on this subject, their failure to grasp the importance of each or any of these indicia will not make them responsible. In the absence of fraud or bad motive of any sort, they must be put down to errors of judgment and want of proper capacity to manage the finances of such an institution as a bank; indeed, weighed by their own evidence, it seems to me these directors were utterly wanting in that skill and knowledge in banking which one would have expected in men taking that office. They, at any rate, appear to have acted in good faith. They met as a board regularly twice a week and appeared to have attended to such business as the cashier brought before them, which

was a very small proportion of the bank's business, but such as is usually submitted to directors. The large account of bills payable remitted did not come before them because, as explained, these in general course are sent forward by the cashier for collection without reference to them. There can be no doubt the cashier purposely misled and concealed from them the real nature and extent of the Reddings' account, and I cannot doubt that they abstained from a closer examination because of their absolute faith and confidence in this officer. When it is considered that the president, Mr. John Lovitt, at the time of the suspension owned 200 shares and so late as 1903 bought forty additional shares; that he had $31,000 on deposit in the bank; that his children had seventy-three shares, and that all the other directors were shareholders to a considerable amount, it is inconceivable that they would grossly and deliberately neglect any action which, according to their judgment, was necessary to protect its interests.

That the directors displayed a great lack of business acumen and foresight, may be admitted; but it all comes back to the same thing; are they to be held accountable for their incompetency? I think they cannot be so held, and in support of my view of their conduct, I will give some brief extracts from two of the leading cases on this subject.

In re National Bank of Wales, Lindley, M. R., at p. 562, referring to the claim that the directors did not do enough in watching the statements making provisions for bad and doubtful debts, says:

"The accusation is made that they did not do enough in this way. But here, again, even if some debts known to the manager to be bad were treated as good, it is not proved that Cory knew this or had reason to suspect that what was done was inadequate. His evidence is clear that he neither knew nor suspected that such was the case and that he really believed that the provision was ample. The same question arises, Was it his duty to test the accuracy or completeness of what he was told by the general manager and managing director? This is a question on which opinions may differ, but we are not prepared to say that he failed in his legal duty. Business cannot be carried on on principles of distrust. Men in responsible positions must be trusted by those above them, as well as by those below them, until there is reason to distrust them. We agree that care and prudence do not involve distrust, but for a director acting honestly himself to be held liable for negligence in trusting the officers under him not to conceal from him what they ought to report to him, appears to us to be laying too heavy a burden on honest business men."

And further on he says, in reference to neglect of directors in examining the weekly statement and quarterly returns:

"No suspicion being aroused, Cory's reasons for not examining them are natural, and his omission to examine them does not show want of reasonable care and attention on his part to the affairs of the bank. He had no reason to suppose that there were unsatisfactory debts beyond those written; unquestionably Cory might have found out that he was deceived by the general manager and that the dividends declared were not in a business sense warranted by the profits made. On the other hand, the evidence shows that although he was deceived, he neither knew nor suspected it. We are not prepared to say he was guilty of any breach of duty in not discovering that those whom he trusted were misleading him, nor that in point of law he was guilty of any breach of duty in recommending the payment of dividends as and when he did. A director does not warrant the truth of his statements; he is not an insurer, but if he makes misstatements to his shareholders, he is liable for the consequences unless he can show that he made them honestly believing them to be true and took such care to ascertain the truth as was reasonable at the time. This we think Cory did."

In many of its essential features the case in which these principles were stated is singularly like the one under consideration, so much so that I feel bound to follow it here. The directors had no reason for doubting the fidelity of Johns up to the final disclosure of his unauthorized and fraudulent conduct, and they cannot be held responsible for failing to detect his misrepresentation; in fact, not one of them, as appears from the evidence, even if they had examined the books of the bank, knew enough about the mode of keeping them to enable them to do so.

It was contended that the directors were negligent in not having proper books kept; referring to the want of a liability ledger. The evidence shows that while most banking institutions kept such a book, it had no direct bearing on the losses sustained, and, moreover, the class and nature of books in which the transactions are recorded is a matter purely for the cashier, and in this case it was left to him to attend to, and from what he says the books he did keep enabled him or any bank man to understand all that a liability ledger would show.

I am quite conscious that there is room for a difference of opinion as to the application of the law in relation to the facts in this case. I have been guided, as can readily be understood, by the invariable rule to be found in all the English cases that when directors have placed perfect confidence in their manager and have had no good reason to doubt his honesty and fidelity, they are justified in accepting and acting upon the information he places before them, and are not bound personally to examine into the details of the business which he is employed to attend to. On a careful consideration of the evidence, I cannot reach any other conclusion than the one I have expressed before, that these directors reposed implicit faith in the cashier Johns and accepted without doubt, as correct, the representations he made to them from time to time. That they had no knowledge of unaccepted drafts, which were carefully concealed from them; that they regularly attended the meetings of the board and transacted, according to their light, the usual routine business brought before them and exercised the best of their judgment, poor though it proves to have been, in looking after the bank's affairs, and that, however disastrous it has been to the shareholders, the law will not hold the directors responsible for errors in judgment. I find no evidence of recklessness on their part or of what would amount to gross negligence as that term is explained in the decided cases, although I think keener business men might have done better.

The question as to the liability of the directors for the payment of dividends is necessarily involved in that of their liabilities for the losses in other respects, but there are some additional reasons which may be briefly pointed out. They were all declared and paid on the faith of the correctness of the statements made up by Johns representing the state of the bank's finances. If these statements had been true (and they believed them to be), there can be no doubt as to their justification in doing so. He was the proper officer to prepare the annual statements on which the dividends were based. The same is true in regard to the allowance for bad and doubtful debts which were written off. So far as the evidence goes, they had no reason to doubt their accuracy. These statements were prepared by the proper officer of the bank, and even if an investigation could have shown them to be inaccurate, the directors cannot be held responsible for not inspecting the books, and it is in evidence that all these statements submitted to the shareholders were correct according to the books of the bank and all showed that the bank had earned profits out of which a dividend might properly be declared and paid.

In Dovey vs. Cory, Lord Davy (p. 761) says:

"I think the respondent was bound to give his attention to and exercise his

judgment as a man of business on the matters which were brought before the board at the meetings which he attended, and it is not proved that he did not do so. But I think he was entitled to rely on the judgment, information and advice of the chairman and general manager, as to whose integrity, skill and competence he had no suspicion. I agree with what was said by Sir George Jessel in Wincham Shipbuilding and Boiler Co., in re Hallmark's case (1878), and by Mr. Justice Chitty, in Denham & Co., that directors are not bound to examine entries in the company's books. It was the duty of the general manager and (possibly) of the chairman to go carefully through the returns from the branches and to bring before the board any matter requiring their consideration; but the respondent was not, in my opinion, guilty of negligence in not examining them for himself, notwithstanding that they were laid on the table of the board for reference."

NEW YORK CLEARING-HOUSE CERTIFICATES.

IN the February "Appleton's" Alexander Gilbert, president of the New York Clearing-House Association, tells "How a Panic Was Arrested." Of the loan certificates issued by the Clearing-House (practically all of which are now retired) he says:

"At this writing, the loan certificates issued amount to $97,000,000, which amount, considering the growth of bank liabilities since 1893, is not as large proportionately as the amount issued in that year. The deposits in 1893 amounted to $400,000,000. The amount of loan certificates issued was $41,690,000, or a fraction over ten per cent. of the deposits. The bank deposits of 1907 were $1,050,000,000, and including trust companies would amount to $2,000,000,000. But the amount of loan certificates issued in 1907 was about $97,000,000, or a little less than ten per cent. of bank deposits and less than five per cent. of deposits of banks and trust companies combined. Of the amount issued a considerable amount has been canceled.

"A larger amount was taken out than was actually required. And at no time was the full amount issued in use, as retirements began almost as soon as the issue.

"A careful computation shows that $74,000,000 would have sufficed to do the required work. With this amount of certificates restricted in their use to clearing-house purposes, exchanges to the amount of $230,000,000 daily have been settled quietly and effectively. Here we have the best object lesson of an emergency currency that can possibly be given—a currency that is as absolutely secure as anything human can be, that can be quickly issued and quickly retired, that requires no complicated bank machinery to put it into circulation, that will never be issued until it is imperatively required, that can never result in inflation, and that will always be under the control of the most experienced bankers. Furthermore, it may be added that this is a system which is purely American.

"All that is needed to adapt such a system to our requirements is development, and I feel confident that if the subject could be referred to the clearing-house committees of the three central reserve cities, an emergency currency plan could be evolved that would be in harmony with our national banking system and be less subject to criticism and opposition than any other system which has yet been proposed."

CANADIAN BANKING AND COMMERCE.

By H. M. P. Eckardt.

A YEAR ago, in reviewing Canadian banking and commerce it was possible to say: "The evidences that 1906 was prosperous for Canada are to be seen on every hand." Regarding 1907, that statement is hardly applicable; it must be modified considerably to express the results of the past year. Before proceeding to relate the interesting events, and to discuss their significance, it will be well to compare the position of the banks as it was respectively at the end of 1907 and the end of 1906. The comparison is as follows:

Condition of Canadian Banks

LIABILITIES.	Dec. 31, 1907.	Dec. 31, 1906.
Note circulation	$77,504,398	$78,416,780
Dominion Government deposits	11,315,319	4,730,421
Provincial Government deposits	7,527,112	9,687,270
Deposits of the public, "demand"	157,185,414	192,143,482
Deposits of the public, "notice"	402,626,076	398,765,182
Deposits elsewhere than Canada	53,407,203	64,191,182
Loans from other banks, Canada, secured	1,959,639	5,717,720
Deposits of other banks, Canada	6,646,570	6,395,645
Due to banks in Great Britain	10,330,250	8,207,158
Due to banks in foreign countries	4,742,092	1,716,823
Other liabilities	10,460,630	12,684,795
Total liabilities to the public	$743,694,782	$782,656,528
Capital paid up	$95,995,482	$95,509,015
Rest or surplus	70,901,232	69,258,007
Balance, undivided profits	10,665,779	6,768,996
	$921,257,275	$954,192,546
ASSETS.		
Specie	$25,119,474	$23,752,750
Legal-tender notes	49,963,860	44,266,154
Circulation redemption fund	4,255,670	4,327,669
Notes and checks, other Canadian banks	33,853,075	38,937,901
Loans to other banks, Canada, secured	1,309,638	5,717,714
Deposits in other banks, Canada	10,370,043	9,832,685
Due by banks in Great Britain	6,074,747	7,844,990
Due by banks in foreign countries	16,308,929	15,512,627
Dominion and Provincial Government securities	9,210,716	9,536,448
Canadian municipal, British and foreign public securities	19,907,744	21,376,833
Railway and other bonds	41,971,437	41,455,319
Call loans on bonds and stocks, Canada	44,501,112	57,611,747
Call loans on bonds and stocks, elsewhere	43,509,229	58,958,156
Current loans and discounts, Canada	556,588,451	548,684,480
Current loans and discounts, elsewhere	22,928,188	36,474,231
Loans to Dominion Government	4,864,443	....
Loans to Provincial governments	446,204	1,360,184
Overdue debts	3,420,200	3,048,289
Real estate, other than premises	968,610	918,028
Mortgages on real estate	447,112	420,959
Bank premises	17,183,649	14,860,607
Other assets	8,055,258	9,394,586
Total assets	$921,257,275	$954,192,546

(Difference in additions due to omission of cents from figures reported by thirty-five banks in Government bank statement.)

In this exhibit the first thing to strike the notice is the decrease of some $33,000,000 in the total assets. The significance of this will be better understood when it is pointed out that 1907 is the first year since 1885 to show a decrease in bank assets. Even through the panic of 1893 and the hard times succeeding it the assets of the banks steadily increased from year to year. It is to be observed also, in reference to 1907, that the shrinkage of $33,000,000 does not represent the extent of the fall from the high level. For the total assets reached their high point at the end of September, 1907, on which date they amounted to $961,240,415.

Then, as regards current loans in Canada, which represent mercantile discounts, when the figures for December 31, 1907, are compared with those for the same date in 1906 it is seen that there is an increase of about $8,000,000. Any one not familiar with the events happening between the two dates might infer from this that nothing extraordinary had developed and that the discount business of the banks had been dull and unchanged. Nothing could be farther from the truth. As a matter of fact it was an extraordinary year. The total of mercantile discounts advanced violently during the first half of the year—some $38,000,000—in response to the urgent demands of the business community, and contracted sharply to the extent of $30,000,000, during the second half. This contraction or liquidation was suspended only during the month of October, when the financing of the crops and the special demands originating because of the United States panic necessitated an expansion.

The deposits show a decrease, chiefly in the demand deposits which represent the current accounts or working balances of business men and others—indicating that trade activity has fallen off and that the monetary stringency has induced individuals, firms and corporations to make use of practically all their available funds.

The chief fund from which the Canadian banks make loans and discounts is the deposits "at notice." These are the savings proper, of the people, and the total is remarkably free from fluctuations; it exhibits a steady tendency to increase with the increase in the wealth of the country. Though these show a slight gain over a year ago, they are some $23,000,000 under the total shown on August 31, 1907.

Banks on a Solid Basis.

There has been no indication whatever that the fall in deposit has been due to fears or suspicions as to the solidity of the banks. The credit of the important banks rests on too long and too good a record of uninterrupted payment in cash of all liabilities as they accrued to be easily shaken. All over the Dominion the people rightly have the completest confidence in the established banks.

Some of the causes given for the withdrawals are, the investment of savings balances in stocks and bonds at the low prices, the making of loans, etc., on which attractive rates were offered because of the stringency, and the liquidation of the Ontario Bank assets which proceeded all through 1907.

Though the year has been, as the leading bankers stated at more than one annual meeting, one of the most difficult in recent years for the banks, they have been able to earn good profits. The table on page 212 shows the earnings of the individual banks as compared with last year, also the rates of dividend paid in 1907 and 1906.

These figures cover all the chartered banks except five which had not reported at date of writing. All the important banks are included, the combined assets of the five not contained amounted to less than $16,000,000 on December 31, 1907.

The increased profits shown above were clearly due to the strong demand for discounts at high rates that prevailed all through the year. Those banks that use the New York market

for putting out their reserve money, and most of the large banks do, benefited considerably from the extraordinary interest rates that preceded and accompanied the panic. The course of events both in Canada and the United States has been such as to present tion of the Dominion Government to assist the banks in moving the crops. The absorption of the business of the Sovereign, though it happened in the beginning of 1908, can also be regarded as belonging to 1907. The events that led up to the reorganization have al-

PROFITS AND DIVIDENDS.

	Year ended.	Profits. 1907.	Profits. 1906.	Dividends Paid. 1907.	Dividends Paid. 1906.
Bank of Montreal.........	31 Oct.	$1,980,138	$1,797,976	10%	10%
Canadian Bk. of Commerce	30 Nov.	1,752,350	1,741,126	8	8
Merchants Bank of Canada	31 May	961,660	740,399	8	7
Royal Bank of Canada....	31 Dec.	742,034	604,495	10	9¼
Imperial Bank of Canada.	30 Apl.	719,029	(a)535,786	11	10¼
Bank of Nova Scotia......	31 Dec.	681,710	653,516	12	11¼
Dominion Bank	31 Dec.	635,235	539,360	12	12
Bank of Toronto	30 Nov.	586,635	544,295	10	10
Bank of British N. A.....	30 June	563,476	588,032	7	6
Molsons Bank	30 Sep.	(b)528,735	(b)420,959	10	10
Traders Bank of Canada..	31 Dec.	522,822	396,231	7	7
Banque d'Hochelaga	30 Nov.	449,794	347,504	8	7¼
Union Bank of Canada...	31 May	446,432	452,930	7	7
Bank of Ottawa	30 Nov.	443,288	425,239	10	10
Bank of Hamilton	30 Nov.	384,708	371,251	10	10
Eastern Townships Bank.	15 Nov.	372,670	279,610	8	8
Quebec Bank	15 May	300,011	295,036	7	7
Banque Nationale	30 Apl.	252,361	195,753	7	6
Standard Bk. of Canada..	31 May	251,618	175,652	12	10½
(c)Sovereign Bk. of Canada..	30 Apl.	243,027	187,467	6	6
Union Bank of Halifax...	31 Jan.	171,008	168,151	8	7½
Metropolitan Bank	31 Dec.	147,819	140,579	8	8
Bank of New Brunswick..	31 Dec.	133,291	116,479	12	12
Western Bank of Canada..	15 Feb.	83,941	88.576	7	7
Banque Provinciale	31 Dec.	119,466	95,344	5	3
Home Bank of Canada....	31 May	78,031	(d)25,171	6	6
(e)Sterling Bank of Canada..	31 May	27,206	......	1¼	..
(f)United Empire Bank......	31 Dec.	9,983	885	Int.	Int.
(e)Farmers' Bank of Canada.	31 Dec.	14,350	......	Int.	..
		$13,602,928	$11,926,022		

(a) Imperial Bank of Canada, 1906, 11 months.
(b) Molsons Bank, profits less provincial tax, deducted by other banks before declaration.
(c) Sovereign Bank of Canada; absorbed by a combination of twelve other banks, January 19, 1908.
(d) Home Bank of Canada, 1906, 5 months.
(e) Sterling Bank of Canada and Farmers' Bank of Canada, 1907 first year of existence.
(f) United Empire Bank, 1906, showed a deficit of $885 owing to organization expenses.

numerous opportunities for the profitable employment of money.

HISTORY OF THE BANKING YEAR.

The salient events of 1907 were, the reorganization of the Sovereign Bank of Canada in May, the banking panic in the United States, and the intervention ready been described. The great significance of that event lay in the fact that it sounded the knell of a certain type of banking practice in the Dominion. The Sovereign was the head and front of the ultra-aggressive, ultra-progressive, daring school of banking. While it was showing on paper such

wonderful success, there was always the danger that its methods would be copied by the other new banks. The confession that 2¼ millions were lost in bad debts at once eliminated that danger. The foreign interests which had been induced to take up three-eighths of the bank's capital—the Dresdner Bank of Germany and associates of Mr. J. P. Morgan of New York—were obliged to do something to protect their stake in the concern. They arranged to advance money to the reorganized bank to fortify its cash. It is said that they were not very hopeful at the time that the bank would survive. It proved to be the case that deposits were steadily withdrawn during the summer and fall. The discounts were reduced and the indebtedness to the foreign interests increased. The end came when the latter asked for payment of the principal due them. Twelve of the leading banks combined to take over the Sovereign's business. The Dresdner Bank and the Morgan interests were secured as to their advances. The other banks found the full assets of the Sovereign good enough to warrant them in assuming all its liabilities to the public. So the depositors suffered nothing at all, not even a lock-up. For their accounts were taken over by one or other of the guaranteeing banks, and, in every instance, they were given the choice of withdrawing cash in full or of leaving the funds with the new depository. The notes in circulation were never in any danger, for under the terms of the circulation redemption fund they were already like the notes of every other Canadian bank, protected by the guarantee of the associated banks.

The fact that the reorganization of this bank took place in the spring, and that the Ontario Bank failed in October, 1906, had something to do in guarding Canada against the United States panic. The two events acted as a sort of cleaning up and warning. Then, of course the branch system of banking lends itself admirably to ward off panics and to minimize their effects. The leading bankers were able, all through 1907, to check speculation, force curtailment on borrowers, and generally to get in good shape. A few men in Montreal and Toronto imposed their wills on practically all the banking offices in the country, and hoarding of unnecessary cash by country bank offices is entirely impossible when those offices are controlled from the cities. After the New York panic had developed public pressure from the West was put upon the Finance Minister at Ottawa to induce him to take action to compel or induce the banks to advance more freely on the crop. Owing to the large quantity of frozen and damaged grain and to the unsettled conditions outside, the banks were reluctant to advance as freely as usual. An arrangement was entered into whereby the Ottawa Government placed a sum of money at the disposal of the Bank of Montreal to be advanced to the crop-moving banks on their furnishing approved security. The banks contended that they did not want this assistance; and that they were able to handle the grain crop on their own resources. At any rate Treasury statistics published in the "Canada Gazette" show that $5,000,000 in securities was held by the Bank of Montreal on December 31, 1907, so presumably that much has been availed of.

Production and Trade.

With such peculiar conditions prevailing in banking it was inevitable that trade and commerce should be considerably affected. So far as production is concerned the great crops of staples are more dependent upon climatic conditions. The general result, East and West, has been reduced yields, partly recompensed by higher prices for what the farmer had to sell. The three western provinces, Manitoba. Alberta and Saskatchewan, are said to have produced 160,000,000 bushels of wheat, oats, and barley as against 190,000,000 bushels in 1906. In the East the results were very uneven, but on the whole the farmers did fairly well. The

mineral production was increased, chiefly owing to cobalt, but the Governments returns are never issued till long after the dates to which the statistics refer.

The foreign trade will hardly show the effects of the monetary stringency till the 1908 figures are published. Mr. B. G. Walker, the President of the Canadian Bank of Commerce, pointed out that for the year ended June 30, 1907, imports exceeded exports by $101,000,000. It is this enormous excess of imports that will be checked by banking curtailment.

The figures of the foreign trade for the eleven months to November 30 compare with last year as follows:

Imports.	1907.	1906.
Dutiable	$209,204,200	$177,054,692
Free	132,493,492	113,878,561
Total	$341,697,692	$290,933,253
Exports (domestic)	216,535,790	217,515,306
Excess imports	$125,161,902	$73,417,947

The immigration returns are very satisfactory.

	For year ended June 30, 1907.	1906.
From Great Britain	120,779	86,796
From Europe	74,607	44,349
From United States	56,652	57,919
Total	252,038	189,064
For 11 months ended Nov. 30	267,675	206,498

Regarding trade and collections, there are some complaints of tardiness. In places where the crops were poor many extensions are asked. In interviews given to the press the leading mercantile houses express themselves as being hopeful of a fair season in 1908. Most of them apparently expect a volume of business approximately equal to that of last year. Some expect more. In this connection it should be remembered that there was not in Canada such wholesale closing down of plants and establishments as was seen in the States. That was due principally no doubt to the absolute impossibility of borrowing money for day-to-day needs which prevailed for a time when the banks were not performing their regular functions. Nothing like that happened, or is likely to happen, in the Dominion. No matter how great the stringency or uneasiness the banks continue to give their regular customers the day-to-day discounts and general business has been but little interrupted.

In considering the prospects for 1908 it has to be borne in mind, however, that one fairly large bank—the Ontario—has been in course of liquidation through 1907. The business of another—the Sovereign—is to be liquidated in 1908. Added to that will be the efforts of a number of the going banks to strengthen their quick assets which had become lessened a little during the stringency. So 1908 may see considerable liquidation, which cannot occur without having an effect on general trade. However, it is reasonably certain that large amounts of money will be brought into the Dominion in connection with the building of the new trans-continental railway, and with the extensions of the Canadian Pacific and Canadian Northern. This capital is already arranged for in London and its coming should serve to neutralize to some extent other factors that are calculated to be depressing.

WHY THEY FAILED.

NOW that the financial storm has abated, people are busy trying to explain its cause. Here are some explanations given by the Superintendent of the Banking Department of the State of New York for failures of state banks and trust companies:

"The particular causes contributing largely to the failure of our state institutions were: A lack of proper supervisory power; too great interdependence between corporations; a lack of association for mutual assistance; corporate abuse. The forms of corporate abuse principally contributing to these failures were: A general disregard of law; lack of conservatism in management; inattention to, and disregard of, duties of directors; improper use of corporate credit for personal advantage."

AMERICAN BANKERS' ASSOCIATION CURRENCY BILL.

LAST month the MAGAZINE printed the Aldrich and Fowler currency bills. Below will be found the bill prepared by the Currency Commission of the American Bankers' Association:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled that from and after the passage of this act any national banking association which has been in business for one year and has a surplus fund equal to twenty per centum of its capital may take out for issue and circulation national bank notes without a deposit of United States bonds as now provided by law. Said notes shall be known as "national bank guaranteed credit notes." Said notes shall be issued in such form and denominations and under such rules and regulations as the Comptroller of the Currency shall fix. The amount of said notes so taken out by any national banking association may be equal to forty per centum of the amount of its national bank notes at any time outstanding which are secured by the deposit of Government bonds, but shall not exceed in amount twenty-five per centum of its capital, provided, however, that if at any time in the future the present proportion of the total outstanding unmatured United States bonds to the total capitalization of all national banking associations in active operation shall diminish, then the authorized issue of national bank guaranteed credit notes shall be increased to a correspondingly greater percentage of the bond secured notes.

Section 2. That every national banking association taking out national bank guaranteed credit notes in accordance with the foregoing section shall pay to the Treasurer of the United States in the months of January and July a tax of one and one-quarter per centum upon the average amount of such notes in circulation during the preceding half year.

Section 3. That any national banking association which has taken out national bank guaranteed credit notes in accordance with the provisions of section one of this act, may take out a further amount of national bank guaranteed credit notes equal to twelve and one-half per centum of its capital, but it shall pay to the treasurer of the United States in the months of January and July a tax of two and one-half per centum upon the average amount of such notes in circulation during the preceding half year.

Section 4. That the total amount of bank notes issued by any national banking association, including national bank guaranteed credit notes taken out in accordance with the provisions of this act, shall not exceed the amount of its paid-up capital.

Section 5. That any national banking association situated and doing business in a central reserve city, or a reserve city, shall at all times have on hand in lawful money of the United States an amount equal to at least twenty-five per centum of its national bank guaranteed credit notes in circulation; and every other national banking association shall at all times have on hand in lawful money of the United States an amount equal to at least fifteen per centum of its guaranteed credit notes in circulation; provided, however, that any national banking association situated and doing business in a reserve city may keep one-half of its lawful money reserve on deposit in a national bank in a central reserve city, or in a reserve city, and that every national banking association situated and doing business outside of a central reserve city, or a reserve city, may keep three-fifths of its lawful money reserve on deposit in a national bank in a central reserve city or in a reserve city.

Section 6. That the taxes upon national bank guaranteed credit notes, provided for in sections two and three of this act, shall be paid in lawful money to the Treasurer of the United States. Said taxes, when received, shall constitute a guaranty fund to redeem the notes of failed banks and to pay the cost of printing and current redemption.

Section 7. That when any national banking association takes out any national bank guaranteed credit notes for issue and circulation, it shall deposit with the Treasurer of the United States in lawful money an amount equal to five per centum thereof. The amount so deposited shall be placed in the guaranty fund for the purposes thereof. But said amount shall be refunded to the respective banks as soon as the taxes provided for in sections two and three of this act maintain said guaranty fund above 5 per centum of the maximum amount of national bank guaranteed credit notes taken out for issue and circulation, but that no bank shall withdraw any part of its deposit of said 5 per centum until it shall have to its credit in said fund more than five per centum.

Section 8. That the Comptroller of the Currency shall designate certain cities conveniently located in the various sections of the United States for the current daily redemption of said national bank guaranteed credit notes; he shall fix rules and regulations for such redemption; and before authorizing and permitting any national banking association to take out for issue and circulation any national bank guaranteed credit notes, he shall require such bank to make arrangements satisfactory to him for the current daily redemption of such notes in every redemption city so designated.

Section 9. That said national bank guaranteed credit notes, issued in accordance with the provisions of this act shall be received at par in all parts of the United States in payment of taxes, excises, public lands and all other dues to the United States, except duties on imports; and also for all salaries and other debts and demands owing by the United States to individuals, corporations and associations within the United States, except interest on the public debt and in redemption of the national currency. Said notes shall be received upon deposit and for all purposes of debt and liability by every national banking association at par and without charge of whatsoever kind.

Section 10. That the holder of any national bank guaranteed credit note shall have a prior lien on the assets of the national banking association issuing it, and on the statutory liability of shareholders.

Section 11. That upon the failure of a national banking association all outstanding national bank guaranteed credit notes taken out by it in accordance with the provisions of this act shall upon presentation to the United States Treasury be paid in lawful money out of the guaranty fund; but the United States Treasurer shall recover in lawful money from the assets of the failed bank the amount of the guaranteed credit notes of such bank outstanding at the time of failure, and the same shall be paid into the guaranty fund as provided in section ten of this act.

Section 12. That any national banking association desiring to retire its national bank guaranteed credit notes or to go into liquidation shall pay into the guaranty fund an amount of lawful money equal to the amount of its national bank guaranteed credit notes then outstanding.

Section 13. That any national banking association desiring to take out national bank guaranteed credit notes, and having notes outstanding in excess of 62½ per centum of its paid-up capital. to secure the payment of which United States bonds have been deposited, may, upon the deposit of lawful money, redeem such excess without reference to the limitation of nine million dollars each month prescribed in the act approved March 4, 1907.

CURRENT OPINION

CONDEMNATION OF THE ALDRICH BILL.

What the Bill Means.

JUST what the Aldrich Bill means is shown in the following letter addressed to Senator Hopkins of Illinois by James B. Forgan, president of the First National Bank, Chicago:

Designed to Create a Market for Municipal and Railway Bonds.

"I have your favor of 7th inclosing a copy of Mr. Aldrich's bill to amend the national banking laws, of which you desire my opinion. It seems to me the National Bank Act itself might with good reason have been entitled "An Act to Provide an Artificial Market for Government Bonds," and that this proposed amendment might with equally good reason be entitled "An Act to Provide an Artificial Market for Municipal and Railroad Bonds." I can imagine no other motive for its enactment than an attempt to enhance the value of the bonds referred to, but I am doubtful if ultimately it would be effective in accomplishing even that, because I do not believe the banks will avail themselves of it and it will become a dead letter.

Commercial Banks Could Not Afford to Take Out Circulation.

"No bank from the standpoint of its credit in its own community could individually afford to avail itself of the privilege of taking out circulation at a cost of at least seven per cent. (in addition to the six per cent. tax there would, of course, be the ordinary expense of printing, transportation, redeeming, etc.) If it ever should be used it would have to be on the united action of the banks in a particular clearing-house association or community. I would even be doubtful if any reserve clearing-house association outside of New York city would care to take it out without the co-operation of all the reserve cities in the same section of the country. The taking out of such a currency would be notice to each community using it that an emergency exists and the public would act as they always have and always will act whenever it becomes generally known that an emergency exists. They would start to withdraw their money from the banks and hoard it.

"But a more important and more radical objection is that the use of it would cripple the national banks (which are 99 per cent. commercial banks) in their ability to accommodate their commercial customers. In order to get the necessary bonds to pledge as collateral security for it they must before getting it invest at least 133 cents for every dollar of it they take out. Whereas, if instead of investing in such bonds they should loan their money direct to their commercial borrowers, it is self-evident they would have thirty-three per cent. of the money invested available for such loans.

Banks Would Have to Borrow Bonds.

"Further, it is a fact that national banks do not invest except to a very small extent in such bonds. As a rule they cannot afford to and, being commercial banks, they naturally use their money for the direct benefit of their commercial customers. I have the honor to preside over the largest bank

outside of New York city. We carry as an investment a very small amount of such bonds. When the recent currency stringency struck us we took out $3,-000,000 of additional circulation and received on deposit some of the money distributed by the Government for the benefit of the general situation, but as shown in our statement we had to borrow nearly all the bonds used by us for that purpose.

"Other banks did likewise, as this was the only basis on which we could afford to use them. It cost us an average of two per cent. to borrow them. This is what the national banks would invariably have to do before they could avail themselves of such a currency and it would add to the expense of the circulation this additional two per cent., making its use cost nine per cent.

"In a money stringency, with its shattering of public confidence and curtailment of credit, in what condition would the banks be to help their customers if they themselves are obliged to borrow currency at nine per cent? They might do something to help speculation in Wall Street, where alone money reaches such exorbitant rates; they could do nothing for the support of their commercial customers.

Wrong in Principle.

"The principle of the proposed legislation is directly the reverse of what it should be. Something should be done to avoid emergencies and to enable banks to tide their customers over periods of depression. This cannot be done by issuing emergency currency, the very name of which is enough to breed a panic, nor by exorbitantly taxing the banks in the exercise of their legitimate functions.

"There are many other matters in connection with this currency question involving economic principles which are as immutable as the laws of Nature and which are directly opposed to the method of providing a circulating medium proposed in the bill, but I have not time at present to go into a complete discussion of these questions.

"I should like to show that the currency so issued is absolutely without the element of elasticity in any possible meaning of the word. No currency can be elastic that is issued to the banks before it is issued by the banks, as no such currency can possibly adjust itself in the volume of its circulation to the actual daily requirements for it in commerce.

"Elasticity is the daily adjustment of the volume of the circulating medium between the banks that issue it and the public that uses it. There can be no such adjustment in connection with the currency proposed. The circulation, arbitrarily fixed in volume, of a bond-secured currency is one principal cause now of the periodical panics which occur in this country, and to add such an emergency currency as is proposed, similarly secured, seems to me to be an operation not unlike the giving of a drunken man full of whiskey a dose of brandy to sober him. This illustrates from my point of view just what the effect on the financial condition of the country will be by injecting or attempting to inject into the currency a circulating medium such as is proposed. It would aggravate any condition of emergency existing instead of correcting it, and the use of it would produce an emergency even when none existed."

Essentially Unsound.

The board of directors of the Merchants' Association of New York at a recent special meeting unanimously approved the report of its committee on bankruptcy and commercial law in condemnation of the Aldrich emergency currency bill now pending in Congress. The association will, therefore, it announces, do everything in its power to defeat the Aldrich bill, or any amendatory measure based upon the principles embodied therein. The co-operation of other commercial bodies is being enlisted for this purpose.

The report of the committee is as follows:

"Your committee on bankruptcy and commercial law, to which was referred the subject of the reform of the currency laws, begs leave to report as follows:

"Immediately after the subject came before the committee a careful and thorough study was undertaken, to which end conferences were held with Paul M. Warburg, Esq., of Messrs. Kuhn, Loeb & Co., representing the central bank plan; Hon. Charles A. Conant, representing the plan of the Currency Commission of the American Bankers' Association; Victor Morawetz, Esq., representing a plan for the extension of the Clearing-House system, and Hon. Charles N. Fowler, Chairman of the Committee on Banking and Currency of the House of Representatives.

"As the result of our deliberations we present the following resolution, which has been unanimously adopted:

"'*Resolved*, That this Committee on Bankruptcy and Commercial Law disapproves Senate Bill No. 3023, entitled "A Bill to Amend the National Banking Laws," introduced by Senator Aldrich, for the following reasons:

Currency Based Upon Fixed Securities Unsound in Principle.

"1. They regard as essentially unsound the principle embodied therein, that a currency should be based upon fixed securities of any description. The note issues as well as the deposits of a bank are obligations payable on demand, and the bank should hold as security against such liabilities nothing but quick assets, such as actual cash, secured notes payable on demand, or commercial paper liquidating itself at par at the end of a short period of months. It is no safe function for a bank of deposit or issue to invest assets held against demand obligations in long-term notes, bonds or mortgages, the conversion of which into cash in times of stringency can only be accomplished at sacrifice of the principal, if at all. The policy which might reasonably create an artificial market for the national obligations in time of civil war cannot excuse an extension of the same favor to state or municipal bonds and railroad mortgages in time of peace.

High Tax Unnecessary and Would Be Oppressive.

"2. The high tax which this bill proposes to levy upon the issue of emergency currency, and which in the last analysis would be paid by the borrower to the banks, when increased as it would be in practice at least one-third by reserve requirements, is not only unnecessary, but oppressive; and in this and other states would provoke an immediate disregard of the statutes against usury. It is not becoming that a great nation should fill its coffers from the necessities of borrowers; and it is manifestly improper to pass one law which offers inducements to the violation of another.

"It is the unanimous opinion of your committee, as evidenced by the signatures hereto, that rather than accept legislation of the character of the Aldrich Bill, which we feel in its ultimate results would be most disastrous to the commercial interests of the country, it would be preferable to have no legislation at all, in spite of the manifest necessity of some relief to the present intolerable situation.

"We, therefore, in accordance with this resolution, recommend that the association disapprove Senate bill 3023, known as the Aldrich Bill, and that it take steps actively to oppose the enactment into law of this or any bill based upon these principles.

"Your committee, which is continuing consideration and study of other measures. will render an additional report in the very near future.'"

Impracticable and Unsound.

Currency Commission of the American Bankers' Association: Resolutions adopted by this body at a meeting held in Chicago January 19 declare the Aldrich Bill "impracticable, unwise and financially unsound."

Would Make a Panic Certain.

David R. Forgan, President National City Bank, Chicago: If any of his (Senator Aldrich's) emergency currency were ever issued bearing a six per cent. tax it would be the signal for the country banks to begin withdrawing their balances, and instead of averting a panic, it would make a panic certain.

Fatally Mistaken.

Hon. Lyman J. Gage, former Secretary of the Treasury: The central idea of the Aldrich Bill—that of making only bonds the basis of circulation—is a fatal mistake. An overproduction of long-time bonds and of stocks, not in their nature redeemable at all, is what has weighted us down and produced the present situation. To offer to national banks throughout the length and breadth of the land an inducement to invest their deposits in similar securities would be to that extent an injury to production, industry, trade and commerce, in the service of which it is especially desirable that the energy and power of credit, represented by the banking agency, should be directed.

"If I had the power to say what sort of securities should be used for this purpose I would so restrict the volume of bonds that no more than fifty per cent. of such security would be accepted, while the balance should consist of first-class commercial obligations, behind which should lie, directly or indirectly, goods, merchandise, or the natural products of the country. The latter possess the quality of natural liquidation, within an easily measured period of time; the former are redeemable only at distant periods in the future."

Vicious Scheme of Inflation.

Hon. E. J. Hill, member of Congress from Connecticut, speaking at the annual meeting of the State Business Association at Danbury, Ct., on January 23 referred to the Aldrich Bill as "vicious in principle, and a wild scheme of inflation."

Mr. Hepburn's Views.

A. Barton Hepburn, President of the Chase National Bank, in a lecture on "Government Currency vs. Banking Currency" at Columbia University, New York city on January 10, attacked the Sub-Treasury system. He spoke of it as a system of hoarding on a large scale, and said of it in part:

Sub-Treasury System.

"It was and is a safety deposit system. Whenever the Government's receipts exceed its payments it draws into the Treasury and locks up funds, money that should be left in circulation at the service of commerce. This tends to produce a stringency in the money market, to raise the rates of interest and to reduce the value of property. This is not a banking system, it is the system of the safety deposit vault, or the stocking of the ignorant or suspicious citizen, who needs must have within his own grasp the actual money, who has no faith in credit and who refuses to contribute anything to maintaining the affairs of a business world carried on and enlarged by instruments of credit. Such a law and such a system of locking up funds makes the Government a partner in every man's business."

Of the bond-secured bank notes Mr. Hepburn spoke in terms of strong condemnation. He said:

The Bond-Secured Notes.

"The first essential of an efficient bank note issue is safety. A bond secured currency may lay claim to safety, but is in violation of every principle of commercial banking. The utter failure of our bond secured currency to respond to or to serve the needs of commerce is poignantly illustrated by the events of the crisis through which we are now passing. The Government, though not in need of funds, has just

made an issue of Panama bonds in order that the banks might buy them as a basis for circulation. It also offered a $100,000,000 issue of one year certificates of indebtedness, drawing interest at 3 per cent., printed in the form and size of bank notes, in order that they might serve as currency and also as a basis of bank note circulation.

"At the same time the Treasury had over $200,000,000 in excess of its working balance. Was there ever a parallel in governmental financiering? Borrowing money which it did not need and paying interest which might and should have been avoided in order to create a condition which would permit the creation of more bank notes—notes, bond secured and Government guaranteed—which were quite as likely to go into hoarding as into circulation when issued.

"A study of the several financial crises since the Civil War will compel any student to condemn a bond-secured currency as wholly inadequate to the needs of a commercial nation."

Against All Experience

Joseph T. Talbert, vice-president of the Commercial National Bank, Chicago, and president of the Chicago Clearing-House Association, has the following to say respecting the Aldrich Bill:

"If we would have a good currency we must get away from the bond secured idea. All experience of the past is against it. No statute ever can define miscellaneous securities of various classes, every unit of which will always and under every possible condition prove to be good. The information and beliefs upon which loans are based are not always facts. This is why notes based upon arbitrarily defined securities are not good. This objection alone ought to be sufficient to kill the Aldrich bill. It does not, however, take into account the further fact that the fictitious market price which would be given securities of the classes named would greatly stimulate their issue and augment the risk of notes based upon them.

"The Aldrich bill is an emergency measure and nothing more. It cannot be resorted to except in time of panic and then only when currency payments are virtually suspended. All the question needs is open minded, intelligent investigation. This will take time, but we would better wait than to chance hasty and unsound currency laws.

"The bankers' bill is condemned in general terms on the ground that it provides 'asset currency.' This is an unpopular phrase, but the fact remains that the best currency this country or any other civilized country ever had is that which is based upon general assets of banks. The bill is also condemned on the ground that, being prepared by bankers, it must be in their own interest. As a matter of fact, banks would not be directly benefited by this measure except in that bankers themselves would be relieved of the anxiety and danger attending the enforced contraction of loans in the fall. This is necessary every year under our present system. The use of credit notes would protect the reserves of banks to the extent of the notes issued and thereby leave existing loans undisturbed. This would be a benefit to the banks and to all business and trade as well. The real and substantial advantage to be gained by the banks would be in their ability, through the use of credit notes, to convert a book deposit—a credit balance—into a promise to pay, supported by the same reserve of gold which the law now requires against deposits.

"The bankers' bill embodies the experience of enlightened nations, our own successful experience with the Suffolk system in New England for thirty years, and is the deliberate conclusion of serious and conservative men experienced in banking. We stand for this measure because it is builded upon a rock."

GUARANTEEING OF BANK DEPOSITS.

IN a recent letter addressed to Senator Hopkins of Illinois, James B. Forgan, president of the First Nation-

al Bank, Chicago, thus expressed his views on the proposal to guarantee bank deposits:

"You also ask me if I am opposed to the Government guaranteeing bank deposits and if I will give you my reasons therefor. I am very decidedly opposed to such a proposition, and my reason is that if the Government is going to guarantee the deposits of all the banks it completely eliminates the necessity of the public discriminating between one bank and another. The old-established bank with a record of many years of conservative management and accumulated strength would become just the same in the eyes of the public as a bank in the hands of speculators or incompetent or dishonest managers.

"Ultimately the banks honestly managed would have to pay for the escapades of the dishonestly managed banks, and there would be no merit in excelling in conservatism or ability in management. It would be introducing into the banking business of the country the grossest error that now exists in connection with labor unions. It would reduce all bankers to the same level, and there would be absolutely no reason why anyone should not drop into the first bank he came to to deposit his money.

"The Government being responsible for the deposits puts all on an equality and makes all equally good. Besides this, I think it would be practically socialism for the Government to undertake the guaranteeing of the enormous deposits in the banks. The stockholders of the banks supply the capital, and under the law are liable for double the amount of the capital subscribed. They have been accustomed to get for supplying this guaranty to depositors all the profits that can be made in the business.

"Why the Government should similarly guarantee deposits, even if the banks are taxed for it, without getting the profits in the business I cannot see. If the Government is going into the banking business to the extent of guaranteeing all the deposits, it had better go into it direct and make all the profits that can be made out of it."

SOUND VIEWS ON BANKING AND CURRENCY.

SPEAKING at the recent annual dinner of the New York bankers, David R. Forgan, president of the National City Bank, Chicago, and one of the well-known bankers of the country, delivered some views on banking and currency that are worthy of careful attention. His address, in part, follows:

"Coming from the second city of the country to the first, and appreciating the financial problems and burdens which fall upon the centres," he said, "I feel that my first word must be one of sincere congratulation. I congratulate you that the 'stringency' is over, and that you are again in a position to order a good dinner. I rejoice with you that the good ship 'Finance' has righted herself and is now in fairly smooth water, and that the other great vessels 'Commerce' and 'Industry' are following closely in her wake. If you will allow me I should also like to commend the able seamanship displayed by you of New York during the late stress of weather. We in Chicago are rather proud of the way we weathered the storm. I think we came through it better than most cities. But for courage to face the situation, grit to stand punishment and willingness to strain yourselves in order to help others, I take my hat off to the bankers of this city—Western newspaper comparisons to the contrary notwithstanding.

"The late unpleasantness was so short and sharp that its nature should be apparent to every banker. It was not due to defects in our currency. We were having no more than the usual fall scarcity of currency when the storm broke. Extreme scarcity of currency was the result of the panic, not its cause. The cause was a loss of public confidence which had been gathering force for months, and which reached the crisis when your troubles here in New York came to the surface. The de-

fect in our banking system brought fully to light by this panic relates to the reserves. The system which permits banks to count a credit with their city correspondents as part of their reserves works all right in ordinary weather, or when the storm is confined to a particular locality. That locality may then draw upon its city credit and find it as available as the reserves in its own vault. But when the storm is big enough to scare the country it naturally happens in one of the centers, and a general withdrawing of balances sets in from the country banks. This may easily assume proportions quite impossible for the centers to meet. At the time when the centers most need their reserves to help them through some local trouble our system creates an additional and greater difficulty in the sharp withdrawals by their country correspondents.

"That is what happened lately. It has happened before, and New York has several times been driven to Clearing-House certificates as the only means of salvation. Chicago never issued them before. In 1893 we had the World's Fair, which brought a great deal of currency to the city, and besides the bank deposits of Chicago in 1893 were only $179,000,000, whereas now they are $700,000,000. This time we were driven to the same refuge, and after our first experience we are inclined to think Clearing-House certificates a good thing if they did not scare the people so.

"The way the law regarding reserves works is best understood by an illustration: The law requires a national bank in Troy, N. Y., to carry fifteen per cent. reserve. Only six per cent., however, need be in its own vault. The other nine per cent. may be with its reserve agent in New York city. If the deposits of the Troy bank are $1,000,000 it keeps $60,000 at home and $90,000 in New York. The $90,000 in New York, however, is not money. It is merely a credit on the books of the New York bank against which a reserve (allowing for legal deductions) of not more than $20,000 is kept by the New York bank. When the Troy bank, becoming alarmed, deems it prudent to have a larger proportion of its reserve at home it telegraphs the New York correspondent to send it, say, $20,000. That does not seem an unreasonable request to the Troy banker. Only $20,000 out of $90,000. But when the Troy bank withdraws $20,000 it withdraws all the reserve there is in the world against its deposits except what is in its own safe, and the New York bank is left with a credit on its books of $70,000, against which no reserve now exists. When that transaction is multiplied by thousands and becomes general, it is simply an impossibility for the New York bank to stand it; so it restricts specie payments for a while. For this reason I favor that part of Senator Aldrich's bill which increases the proportion of reserves to be retained at home by the country bank from six to ten per cent. But that is the only provision of his bill which I favor. If any of his so-called emergency currency were ever issued bearing a six per cent. tax it would be the signal for the country banks to begin withdrawing their balances, and instead of averting a panic it would make a panic certain.

Bank Notes Based on Bank Credits.

"If our currency could be made more responsive to the needs of commerce in various sections, and at various seasons, we would be in less danger of panic. This, in my opinion, can be accomplished only by injecting more of the element of bank credit into our bank note currency. Elasticity means contraction after expansion so that it may expand again. This can only be obtained by making the currency fairly profitable to the issuing banks so that there will be competition among them to keep their own notes out and to push their competitors' in for redemption. Ample redemption facilities must be provided for that purpose. In that way only will there never be more nor less currency in the channels of com-

merce than is required. I have always been doubtful whether proper redemption facilities can be provided for our national banking system, containing over 6,000 individual banks, and my doubts have not been lessened by reading Congressman Fowler's latest bill.

"The proposals of the commission appointed by the American Bankers' Association come nearer a solution of the problem than any other and ought to be tried.

Guarantee of Bank Deposits.

"Another financial panacea has been proposed by Mr. Bryan, and like his 'free silver' proposition it bids fair to deceive many even of the elect, namely, 'Government guarantee of all deposits of the national banks.' This folly can be presented in fully as attractive colors as any of the old financial fallacies, and I am somewhat alarmed by it. Bankers will, I suppose, be charged with self-interest in opposing it. I am utterly amazed to find Mr. Fowler supporting it. I have seen many bank failures in the past thirty years, but all that I have ever known have had one and the same cause, namely, the management making loans directly or indirectly to itself. I have known incompetent bankers make heavy losses by bad loans and lose their positions on that account, but I have never known a bank to fail or get into a failing condition where the officers had no personal interest in the loans. The fiduciary nature of the bankers' calling, collecting as he does the money of the poor and loaning it to the rich, is his highest claim on his integrity and conscience. But if all deposits are to be guaranteed, why not risk them in trying to make himself rich, seeing no one in particular will be the loser? Deposits are not money. They are largely created by expansion of credit. In my judgment, we want less expansion of credit in this country, not more, and it seems to me that if there is one thing that would make loose banking more common, inflate both loans and deposits to a degree never before witnessed, and ultimately produce a crash worse than any we have ever had, that thing is Government guarantee of deposits."

BASIS OF EMERGENCY CURRENCY.

At the annual meeting of the New York city bankers, on the evening of January 27, Alexander Gilbert, president of the Clearing-House Association, in the course of an address, said:

"Now, if an emergency currency is the only thing we can have then let us have a workable emergency currency. Do not ask us to buy bonds in time of panic. Do not ask us to borrow money, $100, and spend it, and get $75 worth of relief. If we are to have an emergency currency do not ask us when times are normal to invest our money in bonds in order that we may have them in the hour of need, because bonds are not the wisest investment for commercial banks. If we are to have an emergency currency let us have it on bank assets, whether they are bonds or commercial paper. I tell you, gentlemen, that the best asset of a commercial bank is its commercial paper—instruments of commerce, which we always have on hand ready to use. Let us confine our emergency currency issues to the central reserve cities because they carry a twenty-five per cent. reserve, and let us make it unlawful for every clearing-house center in the country to issue loan certificates in times of panic. The central reserve cities, if they were authorized by law to make the basis of an emergency currency commercial paper, established on the same principle and plan that the New York Clearing-House issues such certificates, with a twenty-five per cent. margin, and the guarantee of the clearing-house banks behind it, and let the Comptroller of the Currency be authorized to receive these loan certificates as collateral for an emergency currency, then we would have an ideal emergency currency—one that could be quickly used, quickly issued and quickly re-

tired; one that would never result in inflation; one that would be as safe as anything human could be, and one that would be purely American."

A CLEARING-HOUSE CURRENCY.

ONE of the best-known authorities on the operations of clearing-houses is Mr. James G. Cannon, vice-president of the Fourth National Bank of New York city. In an address delivered recently at Columbia University, Mr. Cannon strongly defended the clearing-house certificate as a valuable instrument to be employed in combating a panic. He then proposed that these certificates be made the basis of an emergency currency. On this point he said:

"I would have in every large city where there is a Sub-Treasury the clearing-house incorporated, recognized by law and prepared to do business with the United States Government. I would have a 'United States emergency currency' printed in large quantities and held under proper safeguards in each Sub-Treasury. I would permit the Treasurer of the United States, on proper application, to receive clearing-house loan certificates of the associated banks in any of these cities as collateral security and advance 50 per cent. of the amount of such certificates deposited, in emergency circulation, to such associations. Such circulation should bear six per cent. interest, so that it would be retired at once when not needed.

"This circulation would cost the banks 12 per cent. as they would be obliged to pay six per cent. on the full face value of the clearing-house loan certificates taken out. The clearing-house could make rules and regulations for apportioning this currency among its members, and I would have the 'United States emergency currency' retired by the deposit of lawful money with the Treasurer of the United States the same as the national.

"You can have no better security for a circulation of this character than clearing-house loan certificates. This would mean a change in our laws and injecting into our currency another kind of money, but it would be secured beyond peradventure. Its retirement would be provided for promptly, and when outstanding in the hands of the public would be covered by ample collaterals or by lawful moneys of the United States deposited against its retirement.

"Such currency must be issued by the United States Government to be of value, as the membership of the clearing-houses does not consist entirely of national banks but includes state banks and trust companies, and to be of assistance to the general situation in times of panic these institutions must also have the benefit of an emergency circulation if we desire the stability of all the financial institutions of this country.

"I would include in the act of incorporation of the clearing-houses a provision that clearing-house loan certificates could be issued at such other times as in the wisdom of the members of the association they were needed, and thus also provide a flexible currency for crop moving periods or other money stringencies. Any emergency currency of any character whatever must be quickly retired and cancelled and not permitted to remain outstanding as a further inflation of our already much inflated currency, and by providing for its redemption by the deposit of lawful money you throw around it another safeguard."

CREDIT CURRENCY FAVORED.

FRANCIS B. SEARS, vice-president of the National Shawmut Bank, in a recent address on "Currency" before the members of the Oil Trade Association at Young's Hotel, Boston, said he favored the adoption of an asset currency bill.

"The system," he said, "would allow banks to issue notes to the amount

of their assets. The Government could afford to guarantee these notes and assume payment upon the failure of banks by imposing a two per cent. tax upon the notes and secure a fund to supply a number of trained accountants for examiners of banks."

He also advocated the abolition of the Sub-Treasury system.

"It is true," he said, "that the currency system of this country needs to be changed in certain respects, but we would do well to go slowly. When we have a financial stringency or panic we cannot touch the currency and as soon as we get out of the panic we do not trouble ourselves about it. It is not legislation altogether that is going to help us. Legislation will not abrogate the great natural laws, and if we violate those laws we have to pay the penalty."

Regarding a central bank, he said:

"Then there is the proposition of the central bank. I can see many ways in which a central bank would be of great value in steadying monetary conditions of the country and yet the banks in the smaller places in the United States are bitterly opposed to anything of the kind. I do not believe many votes could be mustered in Congress for any such scheme."

WHAT CAUSED OUR PANIC.

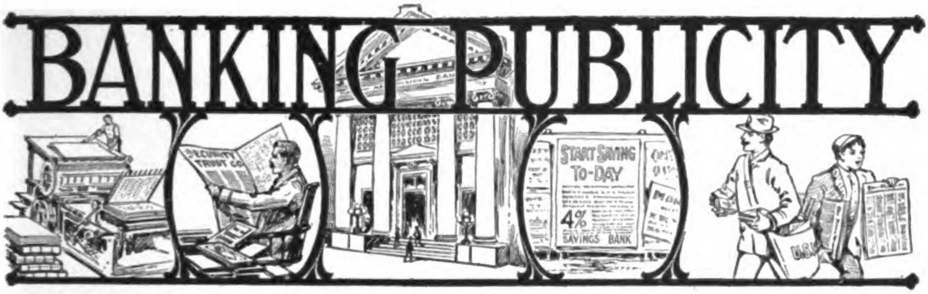
A. RAFFALOVICH, the well-known French economist, expresses the opinion that President Roosevelt did not cause the late panic, but that it was attributable to other clearly defined causes. In the "Journal des Economistes" he writes:

"On whom does the responsibility rest? Some have called Mr. Roosevelt the author of all the trouble. He may have been intemperate in his language; may have insisted too much upon the distinction between the good and wicked rich, between him who has made a fortune in proper, honest and legal ways, and him who has knowingly violated all laws, who has made secret contracts for special rates with the railroads and who has fleeced the public without mercy.

"The way had been cleared for a catastrophe in the United States, but even pessimists did not expect it to reach the dimensions of an actual credit crisis, of such an interference with the economic life as greatly to decrease the transportation of goods and make the payment of duties temporarily impossible.

"Looking especially at the local aspect of the situation, that which is purely American, we find in this universal break-down certain characteristic traits, such as the piling of one enterprise upon another, each being carried on by the credit and the money of the other.

"The principal causes of the crisis have already been pointed out; a growing scarcity of liquid capital; an undue increase of fixed capital; an improper use of credit, reckless extravagance on the part of individuals and corporations; an enormous short-time debt; criminal episodes like those among the insurance companies, like the thievery among the street car lines of New York, like the revelations of Mr. Harriman's activities—episodes whose natural effect was to undermine the confidence of the ignorant public; faulty regulations as to the employment of funds held by trust companies, or corporate trustees; finally the unscrupulousness and the rage for flaring head-lines among the newspapers, which in this way very materially increased the panic of Wednesday, October 23. The difficulties which grow out of the very close relationship of the public Treasury and the money markets, the bureaucratic paternalism, the short-sightedness of the Government in assuming the functions of a banker and failing to retire the 1,700 millions of paper money—all these have been on exhibition once more in 1907."



THIS department is for the benefit of those interested in promoting the business of banks, trust companies and investment houses by judicious advertising. Correspondence is desired. The purpose is to make this department a clearing house for the best ideas in financial publicity. Send inquiries, suggestions, information concerning results of various methods and campaigns, and samples of advertising matter for comment and criticism, to T. D. MacGregor, Manager, Publicity Department, Bankers Publishing Co., 90 William Street, New York.

ADVERTISING MEDIUMS.

What Experience Has Proved About the Value of Various Forms of Publicity.

THERE are points in favor of every advertising medium, but some are of a great deal more value than others. It is for each advertiser to decide for himself what medium or mediums are best suited for his proposition. The experience of other advertisers in similar lines ought to be a good guide.

There is a great deal to be said for the daily newspaper as an advertising medium. It goes everywhere. Everybody reads it. Every day it comes entirely fresh and new. The advertiser in it makes his message fresh and new daily, too. The newspaper, it is true, is ephemeral, short lived, as far as a single edition is concerned, but it makes up in the frequency of its appearance what it lacks in the permanency of the individual copy.

As to the relative value of the morning or afternoon paper, that depends upon your proposition again. If you are advertising an investment involving quite a large amount, or if you are calling attention to the facilities of your bank or trust company in the handling of commercial accounts or the administration of estates probably the morning paper would be the best, because it is read largely by the business man on the way to work and at the office.

The evening paper goes into the homes and is read by the women as well as the men. Conditions differ in different cities, but this is the general rule. The big department stores, than which there are no shrewder advertisers, quite generally favor the evening papers.

Appealing to Women.

Therefore if you are advertising the advantages of thrift and a savings account, or if you are exploiting the merits of a certain residence property for the homeseekers, you will doubtless get the best results from the evening newspapers.

Women do the greater part of the buying in this country and nine times out of ten, they have the deciding vote in the choice of a home site and are the power behind the throne when it comes to domestic economy. So if you are wise you will always bear the women in mind not only in preparing your copy, but also in choosing your medium.

Of course, circulation is the touchstone by which all mediums must be tested. In every city there is one paper that unquestionably leads every other one in circulation. Usually it is the one that carries the greatest amount of classified or "want ads."

But there is a quality as well as a "quantity" circulation which must be considered. For some kinds of advertising 5,000 of a high class circulation is worth 20,000 of a poorer class. For example, there is no doubt at all that a man who had a $50,000 house to sell would get better results from advertising in a medium which appealed exclusively to men of wealth than he would if he placed his announcement in a cheap publication of large, but low class circulation.

There is an eternal fitness in things in advertising as well as elsewhere, and there is always room and need for the exercise of sound judgment. A whiskey ad in a church paper or a Scriptural concordance advertisement in a sporting publication, are no more out of place than the kind of announcement just referred to when published in a medium, the readers of which could not possibly, by any stretch of imagination, be interested in the proposition.

"Quantity" and "Quality" Circulation.

It should be remembered, however, that when the circulation of a publication becomes very large it must of necessity reach far beyond the confines of any one class in the community, so that a very large circulation can always be depended upon to bring good results from the right kind of advertising of almost anything.

The Sunday newspaper as an advertising medium combines to a certain extent the advantages of both the morning and evening weekday papers. It is read in the home. There is no question about that.

It is read by both the men and the women, but unfortunately the class of financial advertising admitted to the columns of the Sunday newspaper has not always been in the highest degree trustworthy. It has harbored too many fake and fraudulent schemes of one kind and another.

"Evil communications corrupt good manners"—as a consequence some of the more conservative of financial advertisers prefer to eschew the company of the "get-rich quick" gentry and remain out of the Sunday papers entirely. It can be said, however, that in most cases the advertising on the financial and stock market pages has been kept of a strictly high grade and dependable character.

The general magazines are splendid mediums for the advertising of "Banking By Mail" institutions and high grade investment propositions—bonds, stock or real estate.

About Magazines.

These magazines have very large circulations, some of them in excess of half a million monthly. The class of readers is good, too, although the "quality" of the circulation differs according to the character and price of the publication.

A few years ago the best magazines began a "house-cleaning" of their advertising pages as a result of which nothing but reputable and entirely trustworthy financial and investment advertisments are admitted. This insures good company to all advertisers and adds a great deal to the value of the advertisement, because it is quite generally known that the mere fact that an advertisement appears in such magazines is *prima facie* evidence that it is worthy of confidence. In a measure the publisher becomes sponsor for his advertisers.

One of the strongest advocates of the magazine as an advertising medium is Mr. Robert Frothingham, Advertising Manager of "Everybody's Magazine." In response to our request he gives the following points:

Mr. Frothingham's Ideas.

The literary quality of the standard magazines is steadily improving. Lower prices make it easy for people to read several magazines regularly where formerly they read only one. As a result, the circulation of magazines has increased enormously in the past few years.

The large volume of advertising carried by the magazines and the extensive space used by the big national advertisers is the best kind of proof of the value of magazine publicity.

The best magazines every year decline hundreds of thousands of dollars worth of advertising business because it is not up to their standard. The magazines are independent, progressive and have a high moral and intellectual tone, which makes them of permanent interest in thousands of the best homes in the land—those with purchasing and investing power.

The magazine reaches the business man in his leisure hours. It appeals with special force to the women in the home and they are the great buyers.

The magazine is a national medium. So that the wide distribution of its circulation and its permanency—its life is from one month to several years—gives it immense advantages over other forms of advertising.

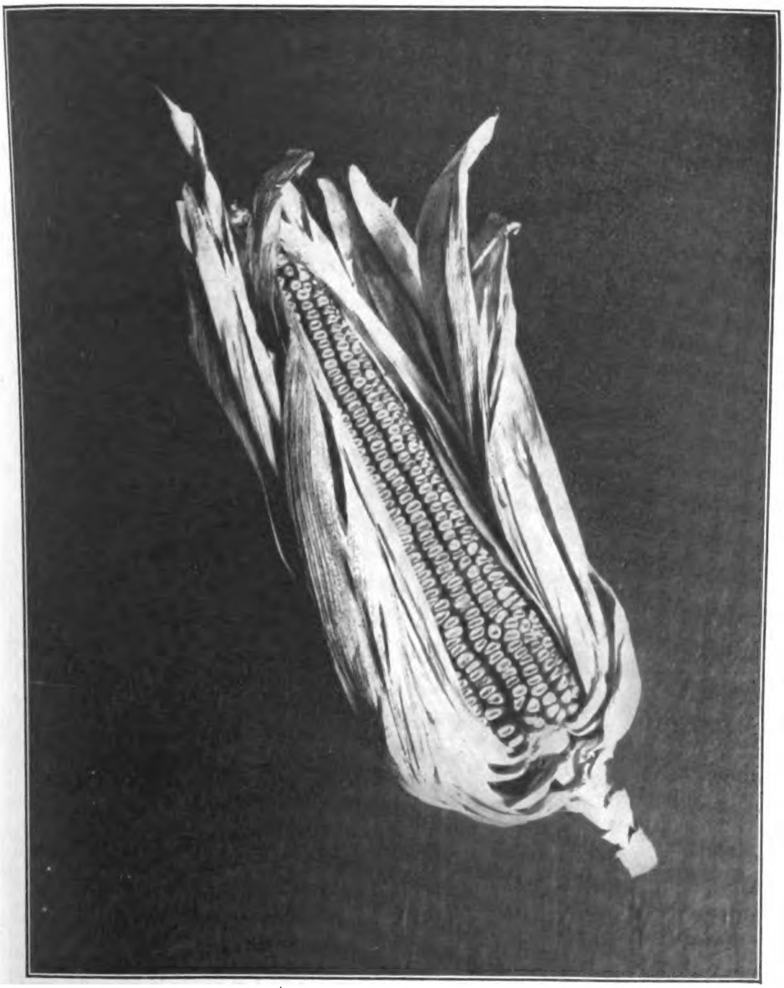
In an article in "Profitable Advertising" Mr. Frothingham said:

"It is generally conceded to-day that no class of publications so directly reaches the homes of influence and purchasing power as the magazines. Originally designed principally for purposes of entertainment, they have in these latter days verily become the molders of public opinion. They go into the home by invitation and possess remarkable length of life. They are of interest not only to every adult member of the family, all of whom are naturally concerned in the beautifying and improving of the home, but they become, as it were, familiar landmarks to the children who grow up in the appreciation of good magazine literature."

Other Mediums.

There is a class of publications known as trade papers or class magazines. These publications are especially good to use in appealing to a particular class. For instance, the bank or investment house that wishes to put its facilities at the command of banks throughout the country will naturally advertise in banking and financial publications.

As to street car advertising there is no better authority than Mr. Thomas Balmer of the Street Railways Advertising Company, and we would call particular attention to his article elsewhere in this department.



A Very Striking Bank Emblem.

THE illustration herewith is used as an emblem by the Corn Exchange National Bank of Philadelphia. In most cases the name of the institution appears in white in the lower left hand portion of the cut, the whole making a very strong and attractive design.

This serves to illustrate what we have said from time to time in this department about the value of a trademark. We have no doubt at all but that the emblem of the Corn Exchange National Bank is so well known in Philadelphia that if it appeared in the newspapers or the street cars without a word of type on it most of those who saw it would know what it stood for. That's the cumulative effect of advertising.

However, we are not advocating the wisdom of any such course. It must be remembered that there is a new generation constantly growing up that must be educated in the way it should go and the best way for the advertiser to do it is to keep hammering into the minds of the people not only his name and emblem but also interesting facts about his institution and the service it offers the public. The Corn Exchange Bank does this in its local advertising.

In short, our advice to banks is—get a good emblem to represent you, make it known by advertising and then back up your advertising by making good on your promises and by courteous and prompt attention to the wants of your customers.

POINTERS FROM EXPERTS.

The Importance of Good Copy and Good Mediums.

AMONG prominent advertising men who are showing considerable interest in our campaign for improved methods of financial publicity are Mr. Herbert S. Houston, one of the publishers of the "World's Work" magazine, and Mr. Charles Lee Scovil, Advertising Manager of Spencer Trask & Co., Bankers, New York.

Mr. Houston is a strong advocate of forceful and informative financial advertising and is naturally very strongly in favor of magazine advertising for investment houses. This is his message for readers of this department:

The great buying unit of the modern world is the home. It is true, whether you have bonds to sell or books. As investment bankers you would rather reach the home builder, the conservative, substantial citizen than the man who supports the pool room and the bucket shop. The latter wants Tonopah and Cobalt, not the sound investment security. The man who wants the safe bond as a part of his estate with a fixed value is the man of the home.

That man, and there are over five millions of him, working, earning, saving, you will never be able to reach effectively until you reach him through the magazine. And, of course, it is an economic necessity that you do reach him. Otherwise, how can you find a market for these multiplying new securities, bonds piled on bonds, short-time notes and all the rest? You must have that millennium of which you dream and talk—a broad market. And that broad market doesn't read the financial page of the daily paper; instead, it gets light and leading from the magazine. You are not asked to offer your bonds in competition with the shrieking speculator who cries his fifty per cent. You will have to look to the daily paper for him, for, as far as the magazines are concerned, he is already cast into darkness.

Real Advertising.

And because you will not have this competition to face when you come to the magazine, you will come at last to do real advertising. For, really, many bankers' cards have been the most elementary types of advertising. You have said it was not dignified to print an advertisement that really told something. And when an oil gusher was spouting in the next column, it wasn't dignified—you maintained a discreet silence, quietly handing the reader a card bearing your address. And any respecting business man would have done the same. But who among you would say for a moment that the advertising in the magazines of Spencer Trask & Company, N. W. Halsey & Company, Fisk & Robinson and others is lacking in dignity, because it is informing, direct, forceful, actually telling the things about an investment that an investor wants to know?

Mr. Scovil says:

Advertising in the general business world is based upon scientific principles; that is why it is so profitable. If advertising in the investment world cannot be conducted upon this same basis, with proper and reasonable modifications, as related to the style and character of the copy, then financial advertising is purely and simply a waste of money.

When investment bankers place their advertising in charge of men qualified to make it a careful and intelligent study, it will in time become one of the most valuable and profitable branches of the business.

In what little experience I have had as an advertising representative, I have learned this lesson; one of the most important lessons: When the representative of a newspaper or magazine wants to discuss advertising with me, he gets the same consideration as we expect to see accorded our bond men when presenting their business to prospective clients.

If this policy is adopted by us all, if we look upon advertising as a part of our business, and try to learn a few things from those who are giving it their special study, we will save for our firms thousands of dollars. And we may be sure that without this knowledge, many thousands of dollars are absolutely wasted.

This fact made itself apparent to me several years ago, and I have received my greatest help through the things I have learned from the better class of magazine and newspaper representatives.

Kinds of Financial Advertising.

At a recent meeting of the New York Chapter of the American Institute of Banking Dr. Channing Rudd, of the "Wall Street Journal," spoke on "Financial Advertising." He said in part:

Financial advertising as to kind may be divided into three classes: (1) Selling services and facilities; (2) selling securities, bonds, stocks, notes, etc., and (3) notices of meetings, dividends, etc. Some object to the term "selling" as here used. Contrary to the belief of some, financial institutions are not philanthropic institutions but are conducted for profit. The day will come when financial institutions will realize that they have something to sell in the same sense as a manufacturer, jobber, wholesaler or retailer has something to sell.

If it be undignified for a financial institution to advertise then it must also be undignified for it to offer its services and facilities, and if it is undignified to offer them it must also be undignified to render them.

Financial advertising is today practically where commercial advertising was twenty years ago. I predict that the style, methods and policies of financial advertising will be completely transformed within the next few years. Such change and progress will not lessen the dignity and high standing of financial men and institutions. To such men as you, who will later be in control of the financial field, will be given the opportunity of taking advantage of the new order of things.

Mr. David G. Evans, Treasurer of "Success Magazine," writes to the Editor of this department, under date of January 31, as follows:

I want to commend you and THE BANKERS MAGAZINE for the department under the head of "Banking Publicity." This is certainly a splendid idea and one that surely ought to increase the popularity of THE BANKERS MAGAZINE. There is more work to be done in this respect than in any that I know of in banking circles, except eliminating the rogues from the fraternity.

My studies of the financial advertising situation have convinced me that it is one

of the largest classifications in advertising. There has been more money spent by financial institutions than by any other one institution that I know of, and with less actual results. If there was more good publicity there would be more good banks and financial institutions and less room for the careless and unscrupulous.

I heartily congratulate you upon the idea and wish you every success.

A SAVINGS CAMPAIGN.

Some Suggestions on Methods of Increasing Deposits by Advertising.

THE customers of the savings bank come from a broader field and are more numerous than those of any other financial institution. Likewise its appeal is more personal and there are greater possibilities of human interest in its advertising story.

Everybody who earns money should save some of it and deposit his savings in a strong bank.

That is the gospel the savings bank has to preach. It has innumerable texts and hundreds of different ways to preach it. The subject of thrift is an old one, but it has not been exhausted yet. And a new generation is constantly rising up that needs instruction in the straight and narrow path of saving that leads to financial independence.

The first and most important part of the savings bank's campaign for deposits is the newspaper and street car advertising. All other advertising is, as a rule, subsidiary to this.

If there are daily papers in your community, use the best of them at least twice a week. Every day in the week would be better. If your appropriation will not permit large space every day, it is better to use smaller space continuously than large space infrequently.

Six small ads., one each on Monday, Tuesday, Wednesday, Thursday, Friday and Saturday, will bring better aggregate results than a single weekly advertisement of a size equal to the total space of the six smaller ones.

Frequent Change of Copy.

No matter if it does involve considerable work, there should be a change of copy each insertion in all savings advertisements. The same style, and if possible the same position in the paper should be maintained constantly. In this way, by frequent change of copy, but steady use of the same place and typographical style, you are able to convey the impression of continuity and stability and still give a freshness and educational value to your advertising that will attract, interest, and convince the public, your possible depositors.

Haphazard advertising will not accomplish the best results. Plan a campaign as a whole. Then carry it out systematically.

The conditions vary in different communities and with different institutions, but the following outline of a campaign for savings deposits, successfully carried out in a Western city, ought to be of value as an example:

The daily newspapers formed the backbone of the campaign, of course. Four daily papers including one German publication, were used three times a week, the space being 100 lines, double column. That is, the advertisement occupied about three inches and a half in two columns.

Plain type display without cuts was used and there was change of copy with each insertion. As a means of "keying" the advertisments and to strengthen the copy, psychologically by inducing readers to do something definite at once, each advertisement contained a request to send for a free booklet on saving, and a small home savings bank.

The arguments used were not directed exclusively to the wage earner or the person of small income, but the appeal was also to the man of high-salaried position and to the business man.

Concrete examples of how real persons were actually saving money were given and the reader was urged to go and do likewise. The copy was dignified, but personal in style.

The personal pronoun "you" had a very prominent place, as it should have in all advertising.

Form Letters and Circulars.

In the street car advertising, cards with striking designs and short, snappy copy were run in all the cars of several of the principal lines. New cards were put in every month.

A series of form letters and circulars was also prepared to be mailed to special lists, including teachers, clergymen, policemen, firemen, members of fraternal organizations, etc.

Among the talking points used in the advertisments of this savings bank campaign were the following:

Small accounts welcome.

Interest—the rate, frequency of com-

pounding, method of computing, how it makes money grow.

Deposits by mail.

Safety from fire and thieves.

Importance of thrift—moral value, becoming independent, preparing for old age and the "rainy day," adding to self respect, the foundation of success, the basis of credit, saving for a home, for an education, being ready for opportunities.

Saving the first $100.

Withdrawals at any time.

Savings create capital—a reserve fund.

Convenient location.

Conservative management.

Perfect equipment.

Teach children saving.

Age of institution.

Officers interested in depositors' welfare.

State regulation and supervision.

Experienced officers.

Figures of institution's growth.

Prompt and courteous service.

Large capital and surplus.

Conservative loans—how secured.

System in saving.

Examples of actual experience.

Home safes.

"Burglar insurance."

Physical protection—massive vaults, time locks, electric alarm signals, bank always lighted.

Personnel of board of directors or trustees.

In good times prepare for hard times.

Certificates of deposit.

Free booklets, home bank, calendar, etc.

Putting money to work.

NOW is the time.

Quoting prominent men.

Limit spending not saving.

Insuring the future.

The needs of dependents.

Open one evening in the week, until 8 o'clock.

The large amount of new copy required in this campaign necessitated a constant effort to present old ideas in new form. Probably all there is to be said about saving money has been said, a great many times. The problem of the savings bank advertiser, therefore, is to say these things in a new way and to make a personal application of the truths to the individual reader, his possible customer.

As to the results of this particular campaign, it need only be said that the large number of new depositors secured as a result of the six months' campaign brought enough business to the bank in the course of that year to much more than pay the expense of the advertising.

Advertising for the Future.

The benefit of a campaign of advertising extends far beyond the period during which the advertisements appear. This is readily seen when it is considered that persons who are secured as depositors and customers of the bank today through the advertising may continue with it, becoming constantly more valuable customers of the institution not only because of the increasing size of their own accounts but also because of the many new depositors they bring to the bank from among their relatives and friends.

In fact, advertising may be an endless chain and in cumulative effect its value may multiply as in an arithmetical progression.

The details of the advertising compaign must be carefully looked after. It is especially important to keep a complete record of all facts in connection with the newspaper advertisements. There should be a careful checking up of space, position

What Is The Legend?

and insertions in connection with the bills for the advertising.

In connection with this article we call attention to the samples of the advertising produced by the Franklin Society and the Bowery Savings Bank of New York and the Cleveland Trust Co. and the Citizens Savings and Trust Co., of Cleveland, referred to elsewhere.

STREET CAR ADVERTISING.

Thomas Balmer, Advertising Director of the Street Railways Advertising Co., Gives Strong Reasons in Favor of This Kind of Publicity for Banks.

MR. Thomas Balmer, formerly advertising manager of the Butterick publications and now advertising director of the Street Railways Advertising Co., which controls the greater part of the street car advertising in the United States, Canada and Mexico, is very much interested in our efforts to bring about better advertising among banks. He has written to the editor of this department, in response to a request for a statement of the arguments in favor of street car advertising. We reproduce this letter in full for three reasons: Mr. Balmer is one of the "top notch" advertising men in the country; his ideas will be of interest and value to our readers, and we agree with his arguments in favor of the street cars as part of the advertising campaigns of banks and investment houses.

Flat Iron Bldg., New York.
January 17, 1908.

Editor Banking Publicity Department,
Bankers Magazine, New York:

On page 925, December issue of "The Bankers' Magazine," the booklet of the Central Savings Bank, Detroit, Mich., entitled "The Secret of Saving Money" received criticism at your hands. In connection with that criticism you say "The object of this booklet is not only to create a desire to save but to lead people who have that desire to consider the advartages of this particular bank as a depository for their funds," and then you go on and say, as if this question was wholly an advertising question, that the order in advertising is; first, to attract attention: second, to hold interest; third, to convince, and fourth, to get readers to act promptly and favorably.

It is astonishing how nearly you come to enunciating a formula that has been put forth as the one most applicable to street car advertising—"The best advertising medium is the one that reaches most often, at least cost, the most people who can buy your goods."

Let us see how this agrees with your formula "Attract attention."

Of course you agree that to attract the attention of people who could not buy your goods would not be profitable advertising. Everybody ought to have a banking account or a savings bank account, therefore every family should be taught through advertising the benefits of having such an account. Now by what means can you reach every family in a town as efficiently as you can through street cars? One member—more than one member—of every family in any city rides once a day, on the average, in the street cars of that city. I do not mean to say that that averages the number of people. I really mean that one person in every family in almost every large city has to and does use the street cars every day. Therefore, in a month one person or more for every family knows what is advertised in the cars. I say "knows" because there are no more universally known advertisements than those appearing in the cars. I have all the evidence to sustain this statement, but I won't give it here, so that where, then, can you attract as much attention from all people by any advertising as you can in the street cars? I don't know; do you?

Holding Interest.

"Holds interest": That is a very vital point. The procrastination that influences the lives of so many people will often prevent them from taking action on an idea or thought or intention they have in their minds. You say to them in a newspaper advertisement or a magazine advertisement appearing once a month "Savings banks accounts are good things. You ought to have one." They say, "I agree with you." They dismiss the subject; you go your way; the magazine goes its way, isn't seen again for a month,—the newspaper may be seen again, but the street car must be seen again, and if the advertising is properly done, probably the next card they see is another reason why they should keep a savings bank account, so that their attention is held until at last they are convinced that no one can afford to spend the time and space and money to do the convincing that you can get out of street car advertising because almost any other form of persistent repetitive publicity on any big scale would render almost any advertising investment for such a purpose impossible because of its cost.

I do not deal with the third question except incidentally. "Copy" must be convincing. The old street car form used to be run a card, change it at the end of a month (perhaps—most often not). The present form is, in towns of any ordinary size, 100.000 and over, to run from four to six different texts simultaneously scattered through all the cars equally, and change these texts every month. If you will just stop to think, do you realize what an immense opportunity this gives you to create a desire to save and when that desire becomes gratifiable to go to your particular bank to deposit the funds? You can tell in these texts all the different reasons why people should save money and you can deal in some of the texts with all the different reasons why people should put their money in your bank.

Fourthly: "Get readers to act promptly and favorably." That's the gist of the whole matter. To create business for somebody else would not be profitable to you, although there is always somebody else "scabbing" off good advertising. The advertising of any

product whatever has an overflow value to all manufacturers of similar products. That can not be helped, but it is not a reason for not advertising, because I never knew anyone yet advertising who did not receive the major part of the value from the advertising, but such a small part went astray that it did not and never could have interfered with their success.

Getting Expert Help.

Now then, "Get readers to act favorably": It is sometimes enough to be the only advertiser who is telling the story at all. Businesses, like people, have individualities. They must be brought out. Comparatively few people are qualified to write advertising about their own business. They no more are able to describe their own business accurately than they are able to describe themselves accurately. It requires an outside man who looks on to be able to see and tell the truth, and then the hand that knows how to wield the facile pen—that has language running in ink marks from its tips—is able to do far better for you in an experienced way of telling the story to convince people so that they will act promptly.

Now let us, if you will, examine the cost. A 21-line advertisement maintained every day in a newspaper to reach any given number of readers is all you can get to offset in cost the space on a street car card, 11x21 inches, to reach the same number of readers. Another thing, it costs less than ½c. per annum to reach every individual in a community by the maintenance of the street car card in every car in the city for twelve months. Put it another way; you reach every family in the community for about 2½c. per annum by keeping one card in all the cars in that town constantly for twelve months. It ought to be sure that every family of a town ought to be able to do enough banking or savings bank business to warrant any bank to spend that amount of money to reach each family in the community for twelve months by constant advertising.

We have ample testimony given by the banks themselves in support of our contention that street car advertising properly done is a profitable investment. I would like to tell the story of the respected president of a three-quarter of a million dollar trust company who told me when I had almost secured his order, in discussing the question of copy, that he would write his own copy. I told him that if he insisted on that I would have to accept his order for street car advertising subject to my approval of his copy. He said, "Why?" "Because," I said, "you would accept my account with you subject to your approval of the terms upon which I want to do business with you, and I would have to do the same, because I don't know a thing about banking and would have to recognize you as an authority, and you don't know a thing about advertising and you have to recognize me as an authority."

At the Bankers' Convention held in Cleveland some three years ago at which the subject of bank advertising was discussed, I was accorded the honor of being one of the speakers to address the Convention. I cited there the story of the Commercial & Farmers' National Bank, of Baltimore, which is best told in the words of the President of the institution, Mr. W. A. Mason:

A Concrete Case.

"The persistent advertising which has been conducted by this bank was something of an innovation to Baltimore, but conducted as it was on a clean-cut basis, attended with prudence and conservatism, it was destined to win, did win, and results speak for themselves.

"The advertising in the street cars has been only a part of our general publicity plan and it is very difficult, as you know, to trace direct results from any particular source of advertising; however, I can say that in our case advertising has been the want which brought most adverse disgruntled public opinion around to a pleasing degree of confidence, that has been responsible for an increase in deposits of fully $3,000,000 in fifteen months. Of course, advertising alone was not responsible for such gratifying results, but it paved the way and made such results possible as nothing else could have done.

"We think very well of the cars as a medium through which to reach the people, particularly the wage-earners and patrons of more moderate means. I am satisfied that the advertising we have done in the street cars of Baltimore has added, I will say, at least 900 new accounts, that will perhaps aggregate $800,000 and all within the past twelve months. I consider this $800,000 of deposits, as a source of revenue, worth $25,000 a year to this bank."

We have some banking experiences that we are not permitted to disclose, and certainly not in any letter or printed form, because they might fall into the hands of other banks in large towns who might be induced to take up bank advertising based upon the experience of others instead of using their own judgment, which, by the way, seems to be in advertising a very uncertain quantity to rely on with bankers, and naturally they do not know anything about advertising for themselves, but it has always astounded me that that same bank that knows nothing of advertising for itself never seems to have had curiosity enough to know why it is that some of their clients who are doing much advertising, increasing their bank account with them—and they know it—have never had curiosity enough, I say, to find out what advertising it is, how it does it, and whether it would suit them. But the banks are waking up, and they are not only waking up to what advertising will do, but what street cars in particular will do to bring them business. Let me make an illustration of one town with which I am thoroughly familiar, having lived there over twenty years,—Chicago.

A Chicago Illustration.

Chicago surface cars carried last year an average of over 1,750,000 registered fares and transfers per day. That

would mean, at a moderate computation, over 900,000 different people used the street cars every day. As there are only about 560,000 homes in Chicago, it is apparent that almost two persons, on the average, ride from each home every day. The cost of advertising in Chicago is $966 per month, which brings the cost for each day to $32. Figure this out and you will see that 32 divided into 900,000 is approximately 30,000 people reached for each dollar spent. Now figure for yourself where you can spend a dollar to reach any number of people, and how many can you reach for that money? Why, there's nothing in the world as cheap as that to enable an advertiser to keep constantly at it, to bring the success that most people get when they keep constantly at anything, even when it is badly done, and how much more when it is well done.

Very truly yours,
T. BALMER,
Advertising Director,
Street Railways Advertising Company.

GETTING INACTIVE ACCOUNTS.

How the Haverhill National Bank Secures This Good Business by Advertising.

MR. W. D. STEARNS of the Haverhill National Bank, Haverhill, Mass., sends the following account of that institution's advertising:

Our advertising really began several years ago, when we commenced sending a statement of condition at each call of the Comptroller to about 500 banks, selected from all sections of the country. These statements have always been in the mails the same day that telegraphic advice of the call was received, making this promptness a special feature. In this way the bank has been brought into close relation with other institutions and by calling attention to the careful handling of collection items we have built up a large and profitable business.

A Distinctive Style.

The use of the daily papers for advertising was begun a little less than a year ago. A four inch, double column space was taken, the "ad" running on Mondays, Wednesdays and Fridays. After a few issues a distinctive style was adopted, having a special face type, with a large initial letter and leaving a clear border about an inch wide around the entire printed matter.

Results are of course what an advertiser is looking for, and by keeping the name of the bank before the people of the city and the surrounding towns a class of deposits has been secured that are practically inactive accounts. During the last few months, while active accounts have been drawn against heavily, these new accounts have proved a source of strength to the bank. The nature of the inquiries made by many of these depositors when opening an account has shown us that frequently the advertisement has interested them and led them to become customers.

Frequent Change of Copy.

The advertising has dealt with all the different lines of a bank's usefulness. The educational idea has been kept prominent, while the foreign exchange and safe deposit departments have not been overlooked. That the advertisements are read was well proven on one occasion, when, through a typographical error, an extra figure increased the deposits $10,000.00. It is needless to say that we heard from that.

In all the time that the newspaper space has been taken it has been our aim never to repeat an "ad," and we have continued to have fresh copy for each insertion. This in itself is an important feature.

W. D. STEARNS,
Haverhill National Bank, Haverhill, Mass.

The samples of advertising matter submitted by this bank are very good indeed. The figures show a very healthy growth of the institution, which now has about 1300 accounts on its books. The advertising is in charge of Mr. Stearns, who has been with the bank nearly fifteen years.

Chinese Emblem Used by the American Security and Trust Co., Washington, D. C.

IN regard to this symbol Mr. C. A. Aspinwall, Advertising Manager, says:

The emblem is a Chinese symbol signifying longevity, and one of the symbols particularly used by the Empress Dowager. It is hardly an emblem of our Company, such as many of those you have been publishing, but has been used in our advertising more or less because it seemed to me its strong black lines and curious shape would serve excellently to draw attention, and because it bore a significance peculiarly appropriate to a trust company.

AFTER-THE-STORM ADVERTISING.

How a Trust Co. and a Bank Turned the Crisis to Good Advertising Account.

MANY banks and trust companies were wise enough to call the attention of their customers and prospective customers to the successful manner in which their institutions passed through the recent financial flurry. The Flatbush Trust Co. of Brooklyn did this in a particularly effective manner.

This company sent out through the mails a leaflet containing its very satisfactory statement of January 1, 1908, showing resources of almost $3,000,000, and accompanied it with the following letter:

In sending you the enclosed statement, we desire to call your attention to the record made by the New Utrecht Branch of the Flatbush Trust Company.

During the financial disturbance the deposits more than doubled and the number of accounts trebled. Throughout the money stringency cash was paid freely to depositors both at the New Utrecht Branch and the Home Office. Payroll checks of policemen, firemen and teachers in the neighborhood were also cashed, regardless of whether or not they were drawn on the Flatbush Trust Company. Needless to say this was a source of great convenience and assistance to the community, and confirmed the reputation long maintained by this company for conservatism and good management.

If you are not already a depositor, may we not extend to you the facilities of a well equipped banking and trust business?

Your account will be welcomed either at the Home Office or at the New Utrecht Branch, located at the corner of New Utrecht avenue and 54th street (opposite the 54th Street station).

Very respectfully yours,
EDMUND D. FISHER,
Secretary.

P. S.—No loan has ever been made either directly or indirectly to an officer or director of this Company.

The following letter is one that the New Netherland Bank of New York sent out with a similar object in view:

The present financial situation and the causes which have led up to it, are undoubtedly the foremost topics in the public mind.

A management which recognizes the trusteeship of money left in its care, is of paramount importance in selecting the institution in which your funds are to be kept.

In presenting the New Netherland Bank for your consideration, we take pleasure in calling your attention to its unimpeachable record and clean business methods. It may be here noted that during the recent unpleasantness every depositor in this bank received credit and cash in accordance with his requirements.

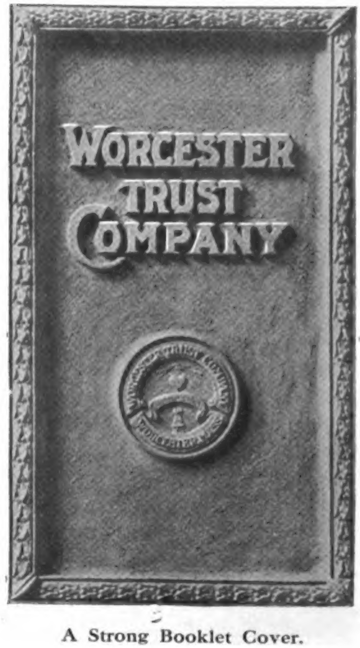
The New Netherland Bank at 41 West Thirty-Fourth street is a commercial bank in the truest sense of the word, conducted by business men on sound, efficient business principles, for men and women who like to do business in a business way.

The New Netherland Bank's convenient location and the courteous and liberal service which it extends to depositors are advantages you will readily appreciate.

Interest allowed on non-borrowing, inactive and trustee accounts.

We want your account, and are willing to extend to you every facility consistent with good banking.

Yours very truly,
J. ADAMS BROWN,
Vice-President.



A Strong Booklet Cover.

HOW BANKS ARE ADVERTISING.

Note and Comment on Current Financial Publicity.

THIS is the lemon a small Kentucky National bank hands its prospective customers:

"We pay no interest on deposits, but give you the glad hand and plenty of ice water."

Don't do negative advertising. Tell about what you can offer, and maintain a dignified silence about what you can't give your prospective depositors.

Other ways not to do it are shown by the following examples:

A small Kansas bank says:

"The officers of this bank may not know much about writing ads., but they know how to take care of any business entrusted to them." This idea may have had some value when it was first sprung on the confiding public, but it has gray whiskers now and should be retired. It is no particular credit to any banker not to know how to conduct an important branch of his busi-

One of the Oldest and Strongest in the United States

Hartford National Bank

58 State Street — Opposite Post Office

Established in 1792 — Capital and Profits, $2,100,000.00

NINETY-EIGHT YEARS OLD

With the beginning of the New Year this bank enters on its 99th year of active business life—There is probably not a man living today who remembers when it first opened its doors—but those doors are open now, as they have been on every legal banking day for almost a century, to welcome legitimate business in every department of banking—

The
Bank of Pittsburgh
National Association

The Bank That Has Grown Up With Pittsburgh.

CAPITAL	Established 1810.	URPLUS
$2,400,000.		$2,800,000

Age as an Advertising Point.

ness, and certainly not a talking point to win popular confidence in his ability to handle its other departments.

An Illinois bank makes this high-toned appeal:

> "WE ARE NOT HOGS
>
> because a hog grunts when he is satisfied. *We are not satisfied* until your name and account appear on our books."

No, this bank has no reason to be satisfied, because it is paying for good newspaper space and is not getting its money's worth. The chairman of a Western vigilance committee that had lynched a man by mistake apologized to the widow by saying: "Madam, the joke is on us." That is the situation of this Illinois bank. It tries to joke in its ad. but the joke is a boomerang.

The New England National Bank of Boston has issued an attractive novelty in the

Human Interest Here.

form of a thermometer mounted on cardboard bearing advertising matter of the bank. The National Commercial Bank of Albany, N. Y., is giving away a glass paper weight bearing appropriate advertising.

The Grand Rapids National Bank of Grand Rapids, Mich., publishes a valuable little directory of Michigan banks.

When it opened its new building recently a bank near New York advertised to present a photograph of the new building to each of the first ten customers to make deposits on the opening morning. The offer attracted a good deal of attention and some friendly rivalry among depositors to get there first. This led to favorable talk about the bank.

The advertisements of the Hartford National Bank and the Bank of Pittsburg, reproduced herewith, besides being excellent in copy, illustrate the right way to feature age as an asset.

The Citizens' National Bank of Baltimore, Md., got out an especially attractive statement folder at the first of the year. It was in the form of a New Year's greeting. It showed surplus and undivided profits of $1,900,000, and deposits of more than $6,500,000. A point brought out that is worthy of notice is the fact that this institution has particularly good collection facilities, having over 1,200 direct correspondents in the South and Southwest alone.

We frequently reproduce samples of the advertising of the Cleveland Trust Co., because it is too good to overlook. The only way that company can keep out of these pages is to stop doing such splendid advertising. The illustrations are from an interesting book entitled "A Bank For All People." Other handsome new booklets of this company are "Wills and Distribution of Estates," and another, descriptive of the company's building.

Texas banks are good advertisers, as can be judged from the newspaper ads. of several Houston banks shown herewith. People who have never visited Texas do not realize what wonderful opportunities there are in that vast territory from Galveston

A Canny Emblem.

on the Gulf coast to Amarillo in the Pan Handle, and from Fort Worth on the North to El Paso on the Mexican border. The Texas banks, however, are alive to the situation and are very active in pushing their business by good publicity and otherwise.

How Well Do We Provide?

When the ship is sinking how the captain does declare that when he again leaves port all will be in "ship shape" before weighing anchor. The same with life's journey. When facing danger we make good resolutions. But do we keep them? Isn't it far better to save now? It weathers many an unlooked for storm. **Savings draw interest of 4% if deposited here.** Deposits made before the fifth draw interest from the first of the month

The Houston National Bank

MAIN STREET — Corner Congress Avenue — HOUSTON, TEXAS

DIRECTORS: *Jeff N. Miller, H. C. House, M. P. Geiselman, M. M. Graves, G. A. Wolff, Henry S. Fox, Jos. F. Meyer, Henry S. Fox, Jr.*

CAPITAL $100,000.00

Surplus and Undivided Profits, $65,000.00

OFFICERS: *Henry S. Fox, President. Jos. F. Meyer, Vice President. Henry S. Fox, Jr., Active Vice Pres. H. C. Munger, Cashier.*

Make a Note of This

Don't lose sight of the advantages of our steel home safes, for they can help you add many a dollar to your bank account, and the process will not be at all painful.

Keep one in sight and drop in a coin whenever convenient and the thing is done. The contents will grow rapidly, and when we add compound interest every three months the results will most assuredly astonish you.

If the boy is going to earn money for himself this vacation, one of these safes is just the thing to help him hold on to it.

They are free to you.

The Houston National Bank

MAIN ST., CORNER CONGRESS.

Sound Banking Methods

THE HIGH STANDING of this bank is equally due to the absolute safety it assures for funds deposited, the prompt and careful manner in which every account is handled and the personal interest shown to every depositor, thereby assuring him that his interests are identical with those of the institution. The policy of the bank is as liberal as is consistent with sound banking, and in each separate department the most up-to-date methods are employed, insuring exactness and the greatest dispatch in the handling of all business intrusted to it.

Commercial Accounts Solicited

The South Texas National Bank

213 MAIN STREET, HOUSTON, TEXAS.

INTEREST PAID ON TIME DEPOSITS

Cotton

Is rolling in at a lively rate; trade in all lines will soon be very active

THE planters in this fertile section invariably come out with money ahead. What are you going to do with **your** surplus funds? Our advice would be to deposit them at once in some safe bank where they will be absolutely secure from fire, theft or loss.

For twenty-five years the "old reliable" First National Bank, of Temple, Texas, has had an unbroken and untarnished record as the oldest bank in Temple, the strongest bank in Bell County, and having the largest **deposit account** of any bank in this section; plainly evidencing the absolute confidence of all classes of people in the solidity of the institution, and indicating the hearty approval of the public in the conservative, but liberal and progressive methods of the management. . . . Be wise, and open an account today with

THE FIRST NATIONAL BANK, OF TEMPLE, TEXAS

The Young Man and His Wife

who pay as they go, and save a per cent of their income, may not often appear in the kind of society typified by low-necked gowns and silk hats, but their home can be a center for many true friendships.

Keep a savings account in the Houston National Bank and you will have a secure feeling in your home otherwise unobtainable.

WE PAY 4% INTEREST

The Houston National Bank

Under the Supervision of the United States Government.

MAIN ST., CORNER CONGRESS.

"Neither a Borrower Nor a Lender Be;

for Loan oft loses both itself and friend, and borrowing dulls the edge of husbandry."

BANK YOUR SAVINGS

In days of want a Bank Account is your Best Friend

4% Interest

Houston National Bank

Main Street, Corner Congress Avenue.

Fibe Cents a Day

Saved by a child until he is twenty-one years old will make about $500.00, enough for a college education.

The actual saving has been only about $375.00—the remainder is interest.

Suppose you start your child a Savings Account now and **watch it grow.**

Your child will appreciate it at maturity.

Get a **Free** Savings Bank with the first dollar deposited.

Houston National Bank

Main and Congress

SAFETY FIRST—

"Liberality next. Both are essential to successful banking. This is our policy. If you like it, come and see us.

AMERICAN BANK & TRUST COMPANY

211 MAIN STREET, HOUSTON

C. A. BEASLEY, President. F. W. VAUGHAN, Cashier.

Texas Banks Are Up-to-date Advertisers.

Mail Your Savings

to the Bowery Savings Bank, New York, and get all the benefits that are gained by the 140,000 depositors of this greatest of all savings institutions. Depositing by mail in

THE BOWERY SAVINGS BANK

is as safe as it is convenient. Our booklet, "Banking by Mail," gives complete and detailed information, and will be sent free if you request it.

THE BOWERY SAVINGS BANK, NEW YORK

ESTABLISHED 1834

Better Than a Card.

We took occasion last month to criticize the New York City savings banks for their lifeless advertising. By way of contrast, this month we show some good savings ads. for the banking by mail departments of the Bowery Savings Bank and the Franklin Society for Home Building and Savings. Advertising evidently pays this institution as the business of the first ten days in January showed a gain of twenty-five per cent. in the number of new depositors over the corresponding period of last year.

The Citizens Savings and Trust Co. of Cleveland has just issued an attractive booklet in German in the interest of its foreign exchange department. At the top of each page is a design in three colors showing the American and German shields and the pages are decorated with sketches of gems of German architecture. The foreign language speaking portion of every community is worth any progressive bank's best efforts along the line of special advertising. Other good booklets by the advertising department of this company are: "A Safe Place," advertising the safe deposit department, and "Lunettes, Sources of Wealth and the Uses of Wealth," describing the allegorical paintings which make up part of the decorative scheme of the company's building.

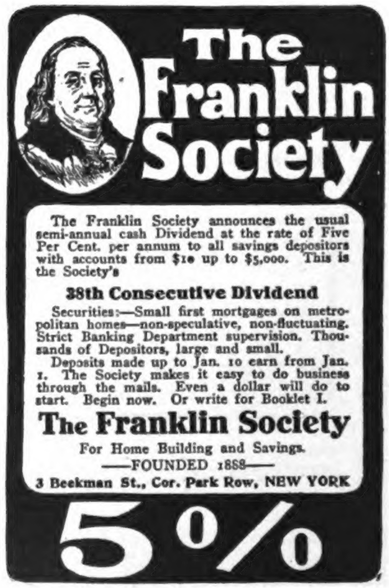
The First National Bank of West Elizabeth, Pa., does some very good advertising —better than most institutions of its size. As there is no newspaper at West Elizabeth, the bank makes use of a syndicate publication containing good copy for country banks. Among the booklets issued are the bank's statement in plain language, an almanac, and a road map of Allegheny county.

Sperry & Morgan of Hartford, Conn., issue a very valuable "Banker's Maturity Guide and Holiday Calendar." The 1908-1909 edition is especially complete and practicable for ready reference.

North & Co., Bankers, Unadilla, N. Y., have issued a handsome desk calendar.

The Waco State Bank of Waco, Tex., issues a maturity calendar. In sending it out it indulges in a little justifiable crowing about Waco in connection with last fall's panic, as follows:

WACO DID NOT Issue Clearing-House Certificates.
WACO DID NOT Put on the Lid.
WACO DID NOT Restrict Payments.
WACO DID NOT Restrict Loans.
BUT DID Business in the Regular Way, as it has done for thirty years.



Attractive Savings Ad.

A country banker, who for obvious reasons doesn't want his name and location published, sends us the following:

The "Banking Publicity" department of your magazine is interesting, and some contributions from the country bankers, who believe they are on the firing line, may not be amiss. Possibly you will be interested in learning some of the things that the country banker is up against.

During the past five years, at least, a large number of country banks have been trying to educate the people to deposit their surplus funds and savings in the banks. We have had some success and new accounts have been opened by persons, who never before stepped inside of a bank, and some have admitted that they kept the gold, paper, or silver hidden around the house. In our opinion there is still a large amount so secreted.

Offsetting our work is the work of a socialistic paper, which circulates freely among workingmen. This paper classes all

Inside Pages of a Good Leaflet,

bankers, and a good many others, as thieves, robbers, etc. These so-called Socialists, and it is surprising how many they number, keep harping at the thrifty who deposit their money in the banks, until when a bank fails, no matter how far away, they become scared.

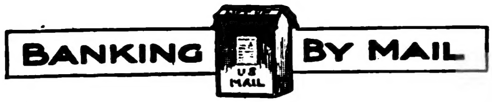
The country banker is a little closer to the people than the average city banker and he feels these things. One cannot explain the whole situation in a letter, but the country banker, who isn't too busy and who gets close to the people, can tell you much about it. It is possible that there are sections of the country where such a thing is not noticed. Here it is pretty bad. This town has a population of 700 and of that number 30 men are avowed Socialists, some really anarchists, and 50 more have leanings that way. In the territory adjacent there are many more.

The Mahin Advertising Co., of Chicago, issues a "Data Book" which is of great value to anybody interested in the practical details of advertising, especially to those who are now doing National advertising or who are contemplating it. The book contains very valuable statistical information and the details concerning printing, engraving, advertising mediums, etc., that every advertiser should have at hand. The book is in handy pocket form and sells for two dollars.

The Columbia Trust Co. of Louisville, Ky., issues an interesting circular advertising its Coupon Certificate of Deposit. The interior pages of this circular are reproduced as the idea may be of value to other bankers.

The Eutaw Savings Bank of Baltimore publishes its 60th annual report in the form of a very attractive booklet, a feature of which is a detailed statement of the value of the bank's investments.

The New Netherland Bank of New York is conducting a successful Banking by Mail Department. We are pleased to reproduce several of the cuts used in a well written leaflet of this branch of the New Netherland's business. Following are a few paragraphs from the leaflet:



Illustrations Used by the New Netherland Bank of New York in a Banking by Mail Booklet.

Everything that a large, perfectly equipped and thoroughly up-to-date bank can do for you is at your service here, and even more.

Here you will find a thoroughly agreeable environment and unusual care for the comfort and convenience of our customers.

When you call you will always receive cordial welcome and courteous attention from both officers and employees,—and every accommodation on the very best terms consistent with good business methods.

In short, in dealing with this bank you enjoy an unusually complete and satisfactory banking service.

Write us and ask any questions you wish —or make a note of it today and call on us next time you are in New York. The bank is so accessible from the railroad depots and ferries that you will not have the slightest inconvenience in reaching it.

That is the right way to do. Make your customers feel at home with you.

The American National Bank of Indianapolis, whose emblem is shown herewith, has correspondence paper made especially for

Very Tasteful.

it with a watermark showing the bank's building. The Women's Department of this institution has special note paper for the convenience of its patrons.

Again, we remind our readers that these columns are open for the discussion of advertising problems. Send in suggestions. Submit advertising for criticism. Don't be afraid of a roast. Maybe it's coming to you anyway. If you don't think so, we are perfectly willing to have our opinions challenged as we do not claim infallibility by any means, but are simply anxious to bring out the best ideas for the practical benefit of our readers in their work of business promotion by advertising.

BIBLICAL BANKING.

THIS very good story is taken from the Indianapolis Daily "News:"

"The City Bank of Altona, Prussia, is the creditor to a large amount of a tricky tradesman in the neighboring city of Hamburg, and has found extreme difficulty in getting remittances from him. So it proceeded against him in the usual legal way. He begged for time, but the bank had lost patience and wrote him of its resolve. By return the manager received the laconic telegram:

"'St. Matthew xvii, 26.'

"There was no Bible in the bank, and a clerk was sent to the nearest pastor to borrow one. It was opened at the place indicated and the manager read:

"'Lord, have patience with me and I will pay Thee all.'

"The manager was so struck with the message that he wired back:

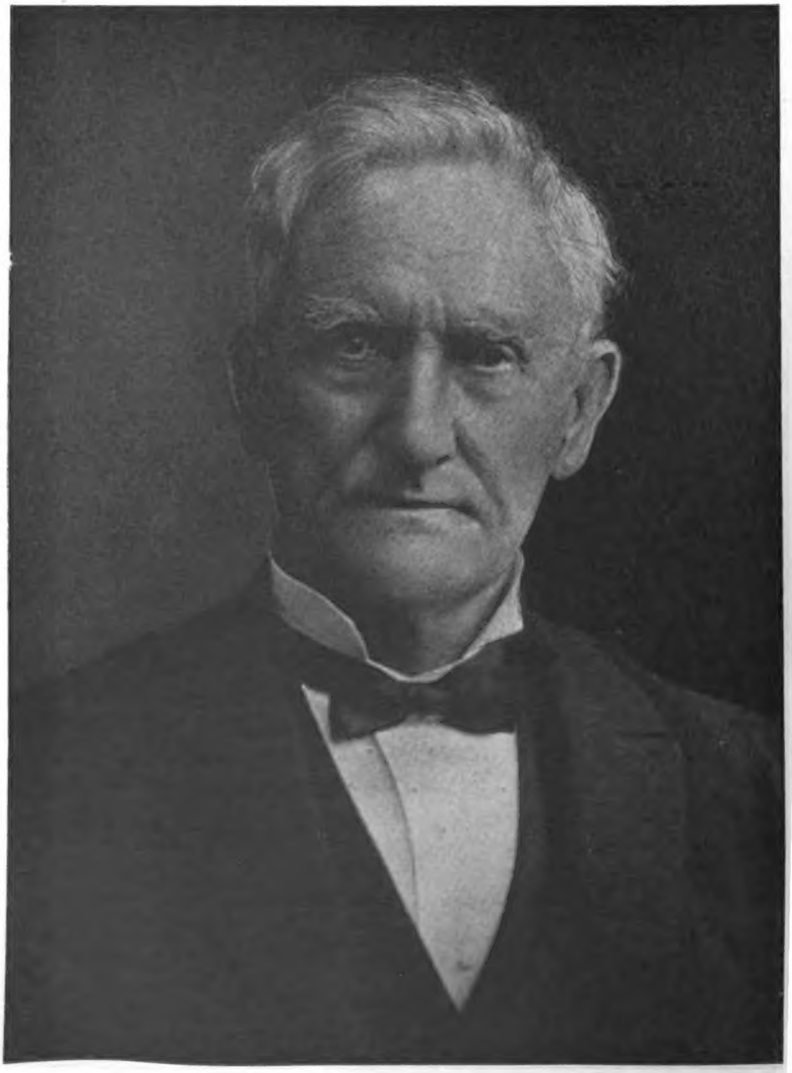
"'All right, we'll wait another month, but if you do not pay then, St. Matthew vi, 26.'

"The verse reads: 'Thou shalt by no means come out of prison till thou hast paid the uttermost farthing.'"

DEATH OF JUDGE MELLON.

JUDGE THOMAS MELLON, who founded the bank of T. Mellon & Sons of Pittsburgh, died in that city on February 3, the ninety-fifth anniversary of his birth.

He was long engaged in the practice of law and was elected a judge of the Court of Common Pleas. Thirty-eight years ago he founded the bank of T. Mellon & Sons, which was succeeded in July, 1902, by the Mellon National Bank. Judge Mellon had resided in Pittsburgh for seventy-four years, and as lawyer, jurist, business man and citizen he ranked among the city's foremost men. He lived a long and useful life, filled with great achievements and the worthiest success.



THE LATE JUDGE THOMAS MELLON,
Founder of The Mellon National Bank of Pittsburgh, Pa.

AMERICAN INSTITUTE OF BANKING.

SPECIAL NOTICE.

THIS department is conducted in the interests of the American Institute of Banking. From time to time articles of special value to members of the Institute will appear here and it is intended to publish as much news of the various chapters as possible. It is hoped that each chapter will appoint someone whose regular duty it shall be to correspond with The Bankers Magazine for this purpose.

Group and individual photographs of officers and members, photographs of chapter rooms, accounts of banquets, debates, chapter progress, etc., are especially desired. News and photographs reaching us by the 25th of the month will be in time for the following month's issue.

Gentlemen of the A. I. B., keep in touch with other chapters and the banking world in general through this department of The Bankers Magazine.

A SKETCH OF THE ENERGETIC WESTERN ORGANIZATION—WHAT OTHER CHAPTERS ARE DOING.

REALIZING the necessity of special training and a practical education along the line of their chosen profession if they were to successfully fill the positions as bank officers to which they looked forward, a number of ambitious Chicago bank clerks took advantage of the plan proposed by the American Bankers' Association, and in the early spring of 1901, organized the Chicago Chapter of the American Institute of Bank Clerks (now the American Institute of Banking) for the purpose of "promoting the educational and social welfare of the bank men of Chicago and vicinity."

FRED W. ELLSWORTH,
President Chicago Chapter.

While never content with past attainments, the fact that approximately 1000 bank clerks are at present enrolled as members of this Chapter, is strong testimony to the success with which this purpose is being carried out.

The Officers.

During the seven years of its history the following men have faithfully served the Chapter, in the capacity of president: Fred I. Kent, Ralph C. Wilson, George K. Wadsworth, Fred A. Crandall, Edward J. Goit and Fred W. Ellsworth. The present officers are: President, Fred W. Ellsworth; Vice-President, C. Frank Spearin; Secretary, Charles W. Allson; Treasurer, Walter L. Clark.

Lectures and addresses by many of our most eminent and successful business and professional men, and courses of study conducted for the chapter by the University of Chicago, have furnished our members unexcelled opportunity for improving themselves in the knowledge of banking. Musical entertainments, excursions and minstrel shows have furnished opportunity for fraternal and social intercourse and enjoyment. Athletic meets, match games and money-counting contests have given variety to our meetings and offered inducements for the much needed cultivation of robust health or physical skill and prowess. An affiliated debating society is training our men as public speakers and parliamentarians, the results of which are becoming apparent in the success of our debating teams abroad.

Many Promotions.

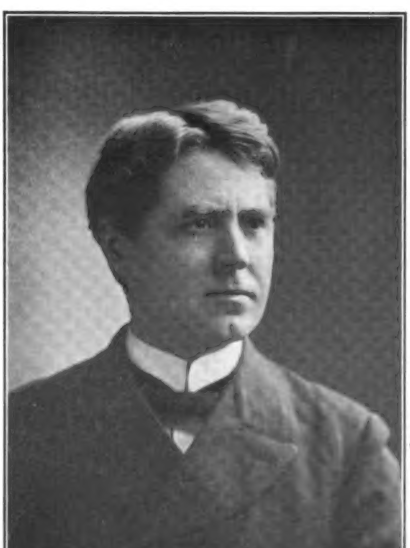
Since the organization of this chapter a goodly number of Institute men have been advanced from the ranks to official positions in their own or other institutions. As an example of the frequency of such promotions during the institute year 1906-'07, five of the nine officers and six of the prominent members of the chapter, having accepted official positions, became thereby ineligible to active membership. That they were well qualified to fill these positions is unquestioned. But the fact remains that the In-

C. FRANK SPEARIN,
Vice-President Chicago Chapter.

stitute offered them the opportunity to demonstrate their abilities without which they might still be unrecognized and unappreciated.

The official organ of the chapter, the "Bank Man," now in its third year has done much to stimulate a wholesome interest in the Institute's work, among the bank clerks of this city and has materially aided in keeping the Chicago Chapter where we hope it will always remain, in first place among the affiliated chapters throughout the country, both in the number of its members and in the enthusiastic and energetic manner in which every new enterprise, working for the best interests of the coming bankers of Chicago is carried to a successful issue.

THOS. P. KELLOGG.



CHARLES W. ALISON,
Secretary Chicago Chapter.

THE inter-city debate between the Chicago and Indianapolis Chapters, held at Northwestern University Building on Tuesday evening, February 11th, on the Postal Savings Bank question, was won by the Chicago debaters, who upheld the affirmative side of the question: "Resolved, that the Government should establish and maintain a system of Postal Savings Banks." A fuller account of the debate will be given in the March number.

ACTIVITIES OF MILWAUKEE CHAPTER.

THE Milwaukee Chapter is now in the sixth year of its existence and is able to report a growing interest on the part of its members and officers and by close attention to the educational work as outlined by the Institute, together with a close watch on the adoption of such methods as would appeal to its members, has succeeded in accomplishing a great deal of good.

In the past the problem of attracting a large attendance to the meetings seemed to be the most serious one and a plan of entertainment in connection with the educational work seemed to be the only solution. We have, however, as time went one, come away somewhat from this idea, mostly through a realization upon the part of the clerk of the object of the Institute and a willingness to devote more of his spare time to this work and today we must all admit that it is the enthusiasm of the few, rather than a large attendance at the meetings that makes a chapter successful. We are always on the lookout for new members and what is still more important, the developing and placing of new blood into the management, in other words the committees and official staff. This is accomplished by recognizing the increased interest which the member takes in the class and discussions at the meetings, and appointing him to a committeeship. The fact that the older members are leaving the ranks, through promotion and otherwise, makes this feature an important consideration for the future welfare of the chapter. Every succeeding president ought to surround himself with a fair percentage of new blood. Especially in a young organization must a presiding officer be mindful of passing around the honors as much as possible, as there are apt to be more discouragements in its ranks through lack of recognization than in an older body.

Non-Resident Members.

The influence of the chapter has been further increased this year by a list of about sixty non-resident members, who by being given the Bulletin and furnished with a copy of such practical banking lectures and papers as are had before the chapter and

given the benefit of our library which we are just establishing and which will contain a complete file of banking forms, systems and appliances, will be amply repaid for investing in a membership which we give them at $2.00 per year. I speak of giving them the lectures on practical banking subjects, knowing that works on this subject are limited and sometimes not up to date. To hear or read a lecture by a capable speaker and one who has had the practical experience, is appreciated by all bankmen. We have just had the third of a series of three lectures on "Bank Checks," by James I. Ennis, a member of the Chicago Bar, many years with the Merchants' Loan and Trust Company, and for seven years its paying teller. Through his many years' experience in banking and his legal knowledge, Mr. Ennis is in a position to deliver his talk in a way that appeals to the bank men.

Valuable Class Work.

This chapter has successfully operated a class in banking and economics last year and in commercial law this year. Of all features of chapter work these classes accomplish the greatest good for its members. Four members of last year's class took the Institute examination and passed. This year's class has proved more popular as regards attendance and it is hoped now that the ice has been broken, that at least a dozen will take the examination at the end of the present year.

Milwaukee in connection with the chapters from Detroit, Chicago, Minneapolis and St. Paul, has entered into a Debate Conference, by which teams from the various cities will compete, to decide the western championship. Milwaukee will debate Minneapolis some time in March, on the "Central Bank," the winners to debate with Chicago, who recently won from Detroit.

We are pleased to inform our friends that our treasury was considerably increased recently, by the giving of two minstrel performances. While we don't intend to be wasteful in the future, it will be a pleasure for the officers to know that future plans for the chapter can be discussed without a continual worry as to the state of the treasury.

OTTO N. LUDWIG, President.

OTTO N. LUDWIG,
President Milwaukee Chapter.

FRANK E. BACHHUBER
Secretary Milwaukee Chapter.

DETROIT CHAPTER IS GROWING FAST.

THERE has been a steady growth of membership of the Detroit Chapter, special interest in the Institute having been awakened by the convention held here last summer. We have at present 226 members, an increase of nearly 40 per cent. in the last eight months. A live, energetic membership committee is at work, with "500 members and permanent quarters" as its slogan.

The educational feature of the work is being pushed, there being a study and discussion of "Modern Banking Methods" by Albert R. Barrett, at each meeting, while a number of the members are taking up the course offered in "Practical Banking and Commercial Law," by the International Correspondence Schools, of Scranton. Aside from these, prominent members of the bar, journalists, political economists, physicians and men in political life, and bank officials, are appearing at our meetings, to give us the results of their study and experience.

Athletic Interests.

Athletics are in full swing. We have furnished a team for the bowling league, which is composed of representatives of the various banks. The baseball team for next summer seems a certainty. Recently a live debating society has been organized, designed to develop its members in public speaking and the practice of parliamentary procedure. In December there was published the first number of Vol. I, of "Detroit Chapter News," an up-to-date little monthly publication, which comes as the official organ of the chapter.

Taken all in all, the prospects of Detroit Chapter look brighter now than they ever have in the past.

At the regular monthly meeting of Detroit Chapter, held on January 16th, after the regular half-hour study of "Modern Banking Methods" by Prof. Albert R. Barrett, which was led by one of our members, the principal address of the evening was delivered by Mr. R. W. Smylie, Manager of the Credit Department of The People's State Bank, who spoke on "Foreign Banking and Currency Systems."

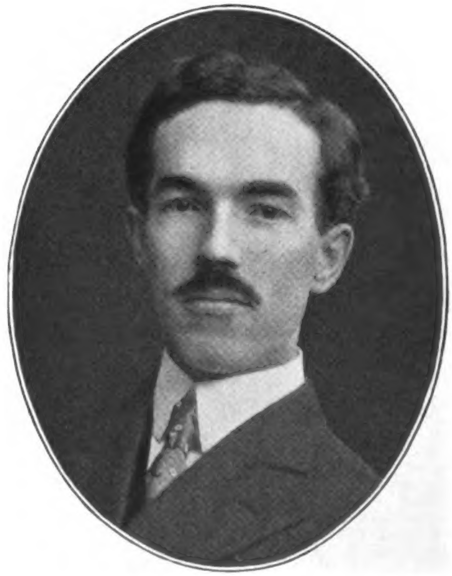
Mr. Smylie has been connected with the banking business in Great Britain and nearly all of her colonies, in addition to points in the Far East. He spent a number of years with some of the largest of the Canadian banks, before entering upon his connection with The People's State Bank many years ago.

History of Banking.

In a very entertaining manner he proceeded to give a comprehensive history of the business, sketching rapidly its growth from the Oriental Nations in the early centuries, before the Christian Era; then tracing its development in Europe, taking as illustrations the banks of Venice, Florence, St. George, Genoa, Amsterdam and the Goldsmiths of England, which led to a description of the methods employed in the present great National institutions,—the Banks of England and France, and the Imperial Bank of Germany.

He described the science of banking as consisting largely, not in loaning money, but in getting it back. He devoted considerable time to a discussion of the currency question, dwelling on that defect so noticeable in the currency of our Nation, viz.—its non-elasticity; emphasizing the fact that when the volume of currency needed in the West or South, for the movement of crops, is increased, instead of being retired when it has served its purpose, it finds its way to the great centres of business, and remains there. The next shortage in the volume needed produces the same effect, with the result that the amount of money in circulation is ever increasing, but is not fulfilling the functions for which it was destined.

In contrast with this he instanced the system in vogue among the Canadian banks, with their branches, whereby the needs of a particular section are supplied so easily, and when the necessity for the additional circulation required, has passed, it finds its way to some other section, where it is then needed, or is retired. It is needless to say that Mr. Smylie's address was highly instructive.



R. T. CUDMORE,
Secretary Detroit Chapter.

E. P. VANDERBURG,
President Detroit Chapter.

Mr. Julian G. Kirsten was elected to fill the vacancy on the Board of Governors, caused by the resignation of Mr. Charles J. Higgins, now Cashier on the Central State Bank of Jackson, Mich.

Detroit Chapter has at last seen its way clear to establish permanent quarters. A large room in the Telegraph block, right in the down-town district, has been secured, and we are now busily engaged in procuring a library and having the room furnished. The expectation is that this is but the forerunner of other more pretentious quarters, which will be equipped with bowling alleys, billiard tables and the other appurtenances that go to make up an attractive club house.

R. T. CUDMORE, Secretary.

Detroit, Feb. 1, 1908.

200% INCREASE IN RICHMOND.

FOLLOWING a most prosperous year of evangelistic efforts, during which our membership increased from 55 to 160 —about 200%—the Richmond Chapter, A. I. B., has consistently devoted this season's activities to work along lines of substantial benefit to its members. While we have no professional instructor to pilot us into the harbor of knowledge, the nature of our meetings has been such as to induce

individual chapter men to cultivate the habit of thinking and speaking on their feet and, from the present outlook, we see no reason why we should not produce men qualified to compete favorably in debate with the better trained veterans of some of the larger chapters. Our program for the February meeting includes a debate, the subject being, "Resolved, That it is to the advantage of the bankers of Richmond to make this a reserve city." We have no doubt this feature will prove a drawing card.

Our December meeting was held on the 14th (second Friday) and the enthusiasm of the members present showed it to be one of the best, although the program was short. A paper on "Cotton as a Factor in American Trade," a copy of an address delivered by Mr. W. A. Law before the Philadelphia Chapter, was read by Mr. Keesee, of the Merchants' National, following which, the organization of the Bankers' National Bank was taken up and a paid-in capital of $2,000,000 was subscribed on the spot. Exercises of this nature cannot be other than beneficial to all present, inasmuch as they tend to draw on the stock of information of each man to the benefit of the others.

A Chapter "Quiz."

Our January meeting, held on the 10th, was devoted to a chapter "quiz" and proved very successful. The program committee had charge and through its chairman, Mr. Keesee, assigned questions to members who were to give the benefit of their knowledge, each man of his particular subject, and be prepared to answer any questions asked. The following gentlemen were assigned questions: A. F. Ryland, C. A. Peple, W. M. Goddard and Ralph P. Neale. The ease with which they handled their subjects evinced a studious insight into the subjects under discussion.

Mr. George E. Allen, secretary of the Institute, was with us at the meeting and gave us an exceedingly good talk. His remarks not only lent encouragement in chapter work but demonstrated the fact that the recent panic and its resultant issues of national importance would mean the upbuilding and strengthening of the Institute, in furnishing ample food for discussion and debate, the obvious result being well trained bankers, better prepared to meet future calamities.

Prosperous Richmond.

In the strong light of the recent financial disturbances, many conditions were revealed, by no means to the credit of the communities in which they existed, and showed the country at large to be on an unsatisfactory business basis, causing those sections which were on a sound basis and affected least to occupy the centre of the stage. Mr. L. E. Wakefield, in January "Bulletin," claims for the Twin Cities of the Northwest the distinction of "having stood out as the brightest spot in the financial horizon of our country," which we grant—partly. If only the relative conditions of the separate sections of the country are considered, then he may be right; but, in a proportionate comparison of Minneapolis with Richmond as regards the wealth and population of each, we believe the latter has made a much better showing. With about half the population and combined bank capital of Minneapolis, Richmond has furnished every demand for currency without exception. The total amount of shipments made by the Clearing-House Banks from October 22d to December 2d was $1,971,416 and the amount paid over the counter for the same period was $3,965,040. There has been no hoarding of cash or withdrawal of deposits and the loans, reserves and deposits have materially increased; general business was somewhat dull, being affected solely by the decrease of trade with less fortunate localities; local business lost none of its activity and merchants declare the Christmas season better than that of the preceding year.

H. G. PROCTOR, Secretary.

FREDERICK E. COLVILLE,
President Chattanooga Chapter.

CONVENTION COMMITTEES.

The Men Who Are Working to Make the Providence Convention the Best Ever.

THE committees having in charge the arrangements for the next convention of the American Institute of Banking, to be held in Providence, R. I., in July, 1908, have been announced as follows:

Educational:—Alexander Wall, Chairman, First National Bank, Milwaukee; James D. Garrett, Central Savings Bank, Baltimore; H. S. Andrews, Garfield National Bank, New York City; Blake S. Raplee, Union National Bank, Cleveland; Edwin H. Green, Central National Bank, Kansas City.

Membership:—G. Jeter Jones, Chairman, Merchants National Bank, Richmond, Va.; D. W. Hakes, Jr., Springfield, Mass.; George A. Schulze, West End Bank and Trust Co., Cincinnati; Fred W. Ellsworth, First National Bank, Chicago; R. S. Hecht, Hibernia Bank and Trust Co., New Orleans.

Program:—W. McKay Stowell, Chairman, Lincoln National Bank, Washington, D. C.; H. Howard Pepper, Industrial Trust Co., Providence; William S. Evans, care Rufus Waples, banker, Philadelphia; A. L. Roth, Second National Bank, St. Paul; W. A. Wilkinson, Mercantile Trust Co., St. Louis.

Speakers:—W. I. Dey, Chairman, People's

Bank, New York; J. C. Loomis, Aetna National Bank, Hartford, Conn.; J. G. Sonneborn, 9th National Bank, Philadelphia; Dean Clark, Citizens' National Bank, Vandergrift, Pa.; E. P. Vanderberg, National Bank of Commerce, Detroit, Mich.

Transportation:—Geo. A. Jackson, Chairman, Continental National Bank, Chicago, Ill.; R. G. Lowe, Bank of Portsmouth, Portsmouth, Va.; H. L. Willcox, National Bank of Commerce, Providence; A. J. Duerr, Bank of Buffalo.

Hotel and Banquet:—G. A. Harrington, Chairman, Rhode Island Hospital Trust Co., Providence; M. H. Laundon, Society for Savings, Cleveland.

Badge and Registration:—Allen H. Newton, Chairman, Connecticut Trust and Safe Deposit Co., Hartford.

Debate:—Clarence Evans, Chairman, National Union Bank, Baltimore; F. B. Devereaux, National Savings and Trust Co., Washington, D. C.; George B. Irrick, Exchange State Bank, Stuart, Iowa; E. A. Fitzpatrick, Miners' Savings Bank, Pittstown, Pa.; C. J. Shepherd, American National Bank Indianapolis.

New Business:—E. S. Eggers, Chairman, Union National Bank, Pittsburg, Pa.; John Henderson, National Bank of Rochester, N. Y.; Claude A. Philbrick, First National Bank, Seattle, Wash.; S. L. St. Jean, National Bank of Commerce, St. Louis; Henry G. Rahn, National Exchange Bank, Milwaukee, Wis.

Press:—C. F. Spearin, Chairman, Corn Exchange National Bank, Chicago, Ill.

R. G. BROCK,
Treasurer Chattanooga Chapter.

DEATH OF MR. STEDMAN.

FEW men have borne the distinction which belonged to Mr. Stedman—that of banker and poet. It was, of course, as a poet, critic and essayist that he was most widely known.

The Late E. C. STEDMAN.

Edmund Clarence Stedman was born at Hartford, Ct., October 8, 1833. After three years' study at Yale, he became an editor in New England and later was on the staffs of the New York "Tribune" and "World."

Shortly after the close of the war Mr. Stedman left the newspaper business and went into banking. His idea in doing this was that he might have more time for independent literary work. In 1869 he became a member of the Stock Exchange. He continued on the floor of the Exchange up to 1900, when he sold his seat. On the occasion of his retirement his broker friends presented to him a silver loving-cup.

Besides his volumes of poems, he was the author of "Victorian Poets," "Poets of America," and edited "A Library of American Literature," English and American anthologies, and, in conjunction with Professor Woodberry, "The Works of Edgar A. Poe." Mr. Stedman also wrote a "History of the New York Stock Exchange."

LATIN AMERICA

PAN-AMERICAN RAILROAD.

REGARDING this enterprise, the New York "Tribune" says that the ultimate achievement will perhaps be a railroad from Alaska to Patagonia, but at present the practical aim is one from the United States to Chili and Argentina, so that a through train might be run from New York to Buenos Ayres. The major part of such a system is already in existence, and the gaps to be filled, which are altogether in Central America and the northwestern states of South America, are shorter than most persons probably realize. At the south there are two lines, one from Buenos Ayres on the Atlantic littoral and one from Puerto Montt, on the Pacific, in latitude forty-two degrees south, extending practically unbroken northward to Cuzco, Peru, in latitude thirteen degrees south. At the north the system is complete from New York and all points in the United States through Mexico to Guatemala, and across the latter country from the Pacific Coast to the Caribbean. A short link would connect it with a line now running across Honduras from the Caribbean to the Salvador frontier and the Gulf of Fonseca, on the Pacific. But from Honduras to Peru there is a great gap remaining to be filled, much of it in difficult places.

Theodore Paschke, who was the chief constructor of the railroads of Guatemala and Costa Rica, points out that to complete a railroad from the Mexican line to the city of Panama by the most direct route it would be necessary to build 86.7 miles in Guatemala, 166.8 miles in Salvador, 71.7 miles in Honduras, 106.2 miles in Nicaragua, 360 miles in Costa Rica and 334 miles in Panama, a total of 1,125.5 miles. The estimated cost varies greatly, from $12,386 a mile in Guatemala to $51,124 a mile in Honduras, the average being $18,467 a mile and the total cost of the system $20,784,285. That would give us an unbroken route of more than five thousand miles from New York to Panama. Thence there would be another long and difficult gap to fill, through the eastern part of Panama, Colombia, Ecuador and Peru, where now only a few miles exist in short, scattered stretches.

PRESIDENT ROOSEVELT ON OUR RELATIONS WITH LATIN AMERICA.

HEREWITH is a letter from President Roosevelt to Dr. L. S. Rowe of the University of Pennsylvania, who recently completed a South American tour:

"I have been deeply interested in going over with you the results of your trip through South America, and the various plans which you have in mind for fostering closer intellectual relations between the northern and the southern sections of the continent. I deem it most important that in addition to the friendly relations existing between the Governments of the American republics, close personal ties should be formed between the leaders of thought in these republics. Such personal relations strongly tend to destroy the foolish prejudices and misconceptions that arise out of lack of knowledge of one another. In this Western Hemisphere, each of our republics can both learn and teach when brought into touch with her sister republics.

"I know of no agencies better adapted to the accomplishment of this

great purpose than the universities of the American continent. There are many economic, social and industrial problems--not to speak of others more purely scientific—that are distinctively American in character and continental in scope. Through the co-operation of the students and investigators of our different nations the accumulated experience of this hemisphere can be brought to bear on these problems and their successful solution thereby rendered more probable. The community of thought and action thus aroused will also serve a larger patriotic purpose in binding together more and more closely all the peoples of this Western Hemisphere. I heartily wish all success to this movement."

MEXICAN EXHIBITION IN LONDON.

CONSUL-GENERAL ROBERT J. WYNNE, of London, advises that, following the custom of certain European nations in exhibiting for periods at London on a grand scale their various commercial and industrial products, for the extension of trade with Great Britain, announcement is made—on Mexican authority—of a Mexican National Exhibition at the Crystal Palace, in London, from May to October, 1908, the plans being as follows:

The exhibition will be in two divisions, departmental and industrial. In the first will be grouped art, army, navy, transportation, education, forestry, agriculture and fisheries, mineralogy and metals, chemicals, and miscellaneous. In the second the commercial and industrial divisions will be arranged in two sections, one representing manufactures and the other the numerous interesting home industries.

Considerable space will be devoted to showing the manufacture of Mexican goods, and various apparatus and appliances peculiar to Mexico will be on view. The weaving of straw, wool, and other fabrics, together with wood carving, pottery, etc., will also occupy a prominent place in this division, while there will be a unique collection of the small crafts and employments, which are so different from artistic productions of the same kind in European countries.

Extensive space will be allotted to agricultural products, including the various kinds of food, meat, etc., which Mexico can supply to Great Britain, and peasant industries will be represented by native workers. The shipping and engineering trades will also be represented. Working exhibits of machinery will bring before the people of Great Britain the progress made by Mexico in the mechanical arts.

OPENING OF THE PORT OF TOPOLOBAMPO.

A CONCESSION has just been applied for in the name of the Mexico, Kansas City and Orient Railroad, to improve the natural harbor of Topolobampo. It is estimated that some $5,876,000 in gold will be spent upon the work. The port is to be the terminal of a projected railroad from Kansas City, Mo., through Mexico to the Pacific coast. Topolobampo is said to be one of the best natural harbors of Mexico. It lies within the Gulf of California, but not far from its mouth, and is protected by the island of Momocahui, which it is planned to connect with the mainland. The terminal yard of the railroad will be established upon the peninsula thus formed, and six large wharves will be built for the accommodation of shipping.

Topolobampo is so far south of Seattle and San Francisco that it is in a much more direct line from New York and the country east of the Mississippi to the Orient than the present ports of Pacific steamships. It has been estimated that of two men leaving the East at the same time to cross the United States, one landing at the Mexican port and taking the new route to Kansas City, when it shall have been completed, would reach New York City two days before the second man stepped

ashore at San Francisco. The proposition to build up Topolobampo in this way has appealed so strongly to the Mexican Government that it has subsidized that portion of the new line lying in Mexican borders at $7,000 gold per mile. Mexican subjects living on the west coast have not been in close touch with the rest of the country, owing to their geographical separation, and the Kansas City, Mexican & Orient is expected further to prove a factor in unifying the country.

A considerable part of the railroad has already been built.

GUATEMALA RAILROAD OPEN.

THE Guatemala Northern Railway was opened on January 19 with elaborate ceremonies. President Cabrera with the high officials of the government was present at the ceremonies, and an American delegation, which included Major Gen. George W. Davis, who represented the United States, was in attendance to do honor to a great work made possible by American enterprise.

The Guatemala Northern Railway was the dream and despair of engineers and Presidents for half a generation. It remained for President Estrada Cabrera to inspire capital to carry the work to a successful conclusion.

Sir William Van Horne and Minor C. Keith began construction more than three years ago, and finished the task that others had abandoned.

The Guatemala Northern, from Puerto Barrios to Guatemala City, is 195 miles long. The highest point is at La Gumbre, 5,000 feet above sea level, yet the maximum grade is only three per cent. For 135 miles the line, after leaving Puerto Barrios, does not ascend much above the level of the coast, but the last sixty miles are within the mountains, where some of the engineering feats are remarkable.

The railway has cost the Government immense sums, and within the four years of construction of the present owners $5,000,000 has been spent to complete the thirty or forty miles left by previous concessionaires.

OUR TRADE WITH LATIN AMERICA.

THAT our trade with the countries of South and Central America constitutes a large share of the total commerce of those countries, may be seen from the following statistics for the latest available year: Mexico took 65.9 per cent. of her imports from the United States and sent 68.6 per cent. of her exports to this country. The Central American States take a large share of their imports from the United States: Honduras, 63 per cent.; Nicaragua, 55 per cent.; Costa Rica, 54.5 per cent.; Guatemala, nearly 45 per cent., and Salvador, 31 per cent.; while of their exports Honduras sent to the United States in the latest year for which figures are available 87 per cent.; Nicaragua, 50 per cent.; Costa Rica, 47 per cent.; Guatemala, 35 per cent., and Salvador, 22 per cent. Cuba took in 1906, the latest year for which statistics are at hand, 48.6 per cent. of her imports from the United States and sent to us 84.8 per cent. of her exports, chiefly, of course, sugar and tobacco. Brazil took 11.4 per cent. of her imports from the United States and sent to us 35.1 per cent. of her exports.

ARICA-LA PAZ RAILWAY.

CONSUL ALFRED A. WINSLOW, of Valparaiso, reports that the Chilean Government has given the contract for the construction of the Arica-La Paz Railroad to a German bank and a German firm for the sum of £3,000,000, and adds:

"The line will extend from Arica, the most northern port of any consequence in Chile, to La Paz, the capital of Bolivia, a distance of about 335 miles. The road is to be completed within four years. The Government is to provide the right of way and to

admit all material and machinery free that are used in the construction of the road.

"It is understood that the only interest the bank has in the matter is that it takes the Government five per cent. bonds that are to be issued to pay for the construction of the road. This road is to be built in accordance with the treaty made with Bolivia on March 21, 1905, when Chile took over that portion of Bolivia that bordered on the Pacific Ocean. The completion of this road will mean much for the northern part of Chile and the interior of Bolivia, as it opens up some very rich country."

TRANS-ISTHMIAN TRAFFIC.

MORE than forty million dollars' worth of merchandise originating in United States territory crossed the Isthmuses of Panama and Tehuantepec in 1907, most of it being interchanged between the eastern and western ports of the United States—including the Hawaiian Islands in this term. This total of more than forty millions of trans-Isthmian traffic in merchandise originating under the American flag is more than three times as much as that of any earlier year.

This sudden and large increase in the interchanges between Atlantic and Pacific ports via the narrow strip of land which separates those oceans is chiefly due to the opening, early in 1907, of the Tehuantepec Railway, which connects the waters of those two oceans by a land haul of but 190 miles, its termini being Coatzacolcos on the Atlantic or Gulf of Mexico and Salina Cruz on the Pacific side.

MEXICAN CENTRAL EARNINGS.

THE report of the earnings of the Mexican Central Railway for December and for the last six months of 1907 show a prosperous month and a decided improvement over the corresponding period of 1906.

The following tables give the comparison of the gross, net and expenses (Mexican currency) for December and the last six months for 1907 as against the results of the corresponding periods of 1906:

December	1907	1906	Inc.	P. C.
Gross ...	$3,163,483	$2,562,707	$600,776	23.4
Expenses.	2,218,840	1,691,310	527,530	31.2
Net ...	$944,643	$871,397	$73,246	8.0
Six months:				
Gross ...	$18,416,451	$14,347,574	$4,068,877	28.3
Expenses.	13,230,539	10,386,437	2,844,102	27.3
Net ...	$5,185,912	$3,961,137	$1,224,775	30.9

The December gross increased $600,776, or 23.4 per cent., over December, 1906; and the gross for six months of 1907 increased $4,068,877, or 28.3 per cent. over the corresponding period of 1906. The December net increased $73,246, or eight per cent. over the total for the same month of 1906; while for the six months the net increase was $1,224,775, or 30.9 per cent. over 1906.

BANK REFORMS IN MEXICO.

IMPORTANT reforms in the bank issues of the country are under consideration by a number of the wealthiest and most influential bankers and financiers of Mexico. The proposed changes will remove a number of inconveniences.

One of the reforms proposed is the establishment of uniformity of bases for the issue of paper currency at the twenty banks of issue throughout the country, whereby the various notes will be of uniform dimensions, quality of paper, color and manner of engraving. It is also said that an arrangement may be made by which the redemption of these bills will become the obligation of all banks at par, and that all the banks of issue in the republic will be held proportionately responsible for the issue of every bank having its own currency.

Such a measure would facilitate transactions, lessen counterfeiting, avoid discounts and give uniform value to all paper money issued in Mexico.

A bill from Yucatan, for example, might be easily counterfeited and passed in Sonora now because of its strangeness in Sonora.

TROPICAL AND SUB-TROPICAL AMERICA.

THIS is the title of a new periodical devoted—as its name implies—to the countries of Latin America. It is of about the standard magazine size, handsomely printed and illustrated and ably edited by G. M. L. Brown.

Among the contents of the first number are: "America's Mediterranean," by Frederick A. Ober; "Tropical Agriculture," by Louis J. Matos; "The Opportunity in Latin America," John Barrett, Director International Bureau of American Republics; "Popular Misconceptions of South America," Seymour Dunbar. There are also a number of interesting departments. "Tropical and Sub-Tropical America" will greatly aid in the spread of information concerning the Latin-American countries.

PROPOSED BOLIVIAN LOAN.

RECENTLY a bill was submitted to the National Congress of Bolivia wherein it is proposed to authorize the Executive of the Republic to negotiate a loan of $2,500,000 gold for the construction of sewers and sanitation of the departmental capitals of the nation. It is provided that the amount of the loan shall be distributed as follows: $320,000 for the city of Sucre, $480,000 for La Paz, $440,000 for Cochambamba, $240,000 for Oruro, $240,000 for Potosi, $200,000 for Tarija, $240,000 for Santa Cruz, $160,000 for Trinidad and Riberalta, and $80,000 to cover the costs of surveys, plans, and estimates of the respective works.

GENERAL NOTES.

—Consul-General A. L. M. Gottschalk makes the following report from Mexico City on a large lumber enterprise:

A prominent American has purchased near Mexico City 17,940 square yards of land, which is to be devoted to the establishment of lumber yards, larger than any now in the Republic. It is proposed by the company that has been organized to keep in stock large quantities of native Mexican lumber, the proposed buildings to be sufficient to accommodate 8,000,000 to 10,000,000 feet of lumber and to compete as much as possible with foreign importers. The company controls large tracts of timber in the northwestern part of the Republic and has already entered into arrangements for rates and tariffs to New York, Liverpool, and Havre. They will probably export through the port of Tampico, which is rapidly becoming one of the great export outlets of the Republic.

—A new Lamport & Holt steamer, the Verdi, has been put into service between New York and South American ports. In constructing the new steamer special attention was given to the first-class passenger accommodation, which is arranged amidships on the upper shelter bridge and promenade decks. There are upward of fifty large and well appointed staterooms arranged along the sides of the vessel designed to give the maximum of comfort in a hot climate.

—It is estimated that the area of first-class timber land in Mexico comprises from 20,000,000 to 25,000,000 acres.

—Chili will entertain the Fourth Pan-American Scientific Congress at Santiago, beginning on December 1 next.

—Plans are being made for electrifying the suburban railway lines of Rio de Janeiro.

—The annual report of the Interoceanic Railroad, issued a short time ago, states that steps are about to be taken to convert the line from narrow to standard gauge. The road runs between Mexico City and Vera Cruz. It is a part of the Government merger system. An enormous amount of construction work will be required in widening the gauge of the track.

—Mexico has recently doubled the duty on imported sugar.

—The Mogyana Railway Company of Sao Paulo has just constructed in its shops the first locomotive which has been built in Brazil.

—Sanitation is at present a much discussed question in Mexico, and the problem of its proper enforcement is gradually being solved by the principal municipalities. New sanitary laws of strict import have been passed, forcing upon housebuilders the purchase of sanitary appliances of all kinds.

—A law has been sanctioned authorizing the governor of the State of Amazonas, Brazil, to contract with whoever shall offer the best terms for a service of steamers on the river Javary, up to the mouth of the Bathan, or other navigable point. The contract is to be for five years.

—Exports of American stoves and ranges and their parts into Mexico in the fiscal year 1907 amounted to $114,580, and for 1906 to $111,728.

—The finance committee of the chamber of the State of Sao Paulo has prepared the budget project for 1908. Revenue is estimated at more than $20,000,000 gold, including the surtax on coffee. The project maintains subsidies laid down in previous budgets and authorizes the building of a new palace for the governor, new law courts, new post-office, and new prison, for which bonds will be issued. A credit of $233,000 is to be opened for the propaganda of coffee abroad. The budget also creates Government fiscals to be appointed to all educational establishments receiving state aid, and raises from seven to ten per cent. the tax on lotteries.

—Mexico furnished a market for American woodenware to the extent of $23,090 in 1905, $60,756 in 1906, and $21,622 in 1907.

—Cartagena, Colombia, has a shoe factory equipped with American machinery and supplied with American-made patterns.

—In 1907 Paraguay exported over 2,000 kilos (kilo=2.2046 pounds) of rubber. Several varieties of rubber trees are native to the country.

—Consul-General Snyder of Buenos Aires again calls attention to the need of direct regular steamship communication between our Atlantic ports and the River Plata.

DATES OF THE DESERT TRANSPLANTED TO CALIFORNIA.

INVESTIGATIONS by the Southern Pacific Company have gone far enough to show that the date palm can be grown successfully in California soil. At the Government's experimental farm near Mecca, in the Colorado Desert, several acres have been set out, and the trees are thriving. They have not reached the full bearing stage, but several branches have produced as high as twenty pounds each already. Mr. Fee, passenger traffic manager of the Southern Pacific, has received samples of both the soft and dried dates produced at these farms, and pronounces them of excellent quality.

The successful growing of the date tree of the desert in California is almost as great a triumph as the successful introduction in the past few years of the Smyrna fig. Some packing and shipping of both the soft and dry dates may be done this year. Ultimately it is expected that the date will form an important addition to California's fruit product. So confident of commercial success are those who have been watching the date experiments, that considerable planting has been done by private growers.

The region selected for the experiment is the Coachella Valley, west of Salton and north of the Imperial Valley. There is no reason, experts say, why it should not be covered with thriving date plantations that will produce the larger part of the fruit, all of which is now imported.

A BIASED OPINION.

"I THINK," Mr. Rockefeller is reported to have said recently, "that Roosevelt made a grave mistake. If he knew abuses existed and wanted to correct them, he could have gone about it without causing all this agitation and feeling of distrust."

Convicted offenders always will insist that the prosecuting attorney is a rude and meddlesome fellow.

WAYS AND WOES OF THE HOARDERS OF MONEY.

AS soon as people begin drawing their deposits from the banks, ingenious schemes are developed for the concealing of the cash from thieves. So long as the money was in the bank, drawing interest, the average depositor felt relieved of the responsibility of caring for the money, knowing that the bank protected it. Then comes a scare, and together with the rest of the uncontrollable depositors, the individual takes his turn in the line to get his money. He imagines that he will lose it if he does not do this. He pays a high price for a position in the long line. He gets to the paying teller's window and draws out his cash. He feels a keen delight for a little time. He has succeeded in saving his money. He feels it jingle in his pocket. It may not be more than one hundred dollars, or it may be more than ten thousand dollars. Anyway, his troubles now begin. He cannot very well place the money in any other bank, as he has lost confidence in banks in general for the time being. He cannot carry it with him, because that would be taking too much risk. If he invests it in business, he feels quite sure that the business will fail. If he puts the responsibility upon a friend, the chances are that he will worry for fear that the friend may lose the money or perhaps get away with it completely. He thinks of burying the treasure in the cellar, but then he remembers reading how robbers dig into the soil of cellars in search of hidden treasure. He cannot take part in social affairs, because he cannot carry his load of responsibility with him. He worries through the day, and at night he begins to wish he did not have so much gold to concern him. Often he resorts to the burying process. Recent events in the financial world, causing persons to withdraw their money from banks, saving institutions and trust companies, have caused the class of burglars who make a specialty of seeking hidden gold to become active once more. I have conversed with interested parties and have learned some facts concerning the concealing and finding of hidden treasure. A thrifty farmer, who had placed his savings in a bank for many years, drew out his cash during the recent scare. He remained guard over the chest of money for several days, not daring to leave the house. He suspected every person, and kept his gun in readiness for an expected attack. Finally, he concluded to bury the money. He sought out an old well near the farm buildings and pumped out the water. Then he made a secondary tunnel leading along the line *b* (Figure 1). Here he hid the cash-box. Then he walled up the place and laid a cement water-tight bottom at the neck of the subway, as shown.

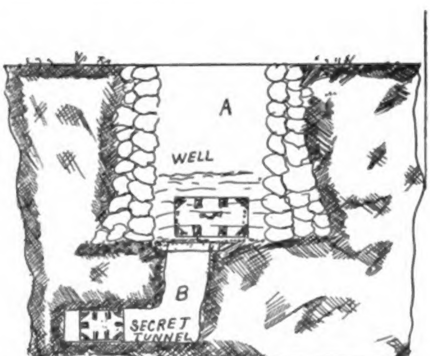


Fig 1

Then to fool the robbers (for he really expected robbers to come), he placed an old trunk on the cement base and ran the water back into the well. The well proper is marked *a*. This is related to illustrate the trouble and worry of the farmer when he has cash to look out for. It is not known whether the robbers ever visited his farm or not.

Another story is related by a travelling friend of mine of a flour merchant who had lost faith in the bank which had cashed his checks and cared

for his banking account for years. I am informed that there had been several times when the bank had carried the flour merchant along by paying advances on checks when there was no fund. But the flour merchant forgot all that kind treatment, and withdrew his money in the recent panic. He placed the money in a small tin box, which he hid in the flour barrel as at *c* (Figure 2). Then he concealed the

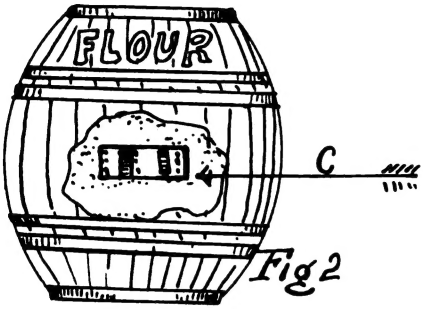


Fig 2

barrel with the mass of other flour barrels, specially marking the treasure barrel and placing it where it would be safe. But one day a customer wanted several barrels of flour, and in his greed to reap rich profits the merchant let the barrel containing the cash go. As soon as he discovered the error, he notified the buyer, who had, in the meantime, sold the lot of flour, which in turn was resold. Weeks of anxiety passed. Barrels of flour were traced, bought back and opened, but without success. Finally, an honest candy-maker located the box, and reported it. The flour merchant lost two hundred dollars as a result of his distrust of banks besides losing much time and suffering many annoyances. Everyone he knew gave him the laugh. He has put his money back into the bank.

Even the graveyard is sometimes visited for the purpose of hiding money boxes. In one instance an imitation grave was made and the box of cash was placed in it, as shown in Figure 3. It is related that this money was not disturbed by thieves, but that the town authorities created trouble for the promoter of the plan for digging a grave, erecting a tombstone and otherwise breaking the laws. Once again the banks gained a patron.

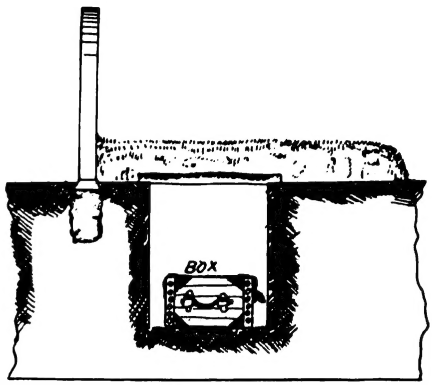


Fig 3

Upon another occasion a false bottom was placed in a coffin and some money was hidden in little boxes placed therein as shown at *d* (Figure 4).

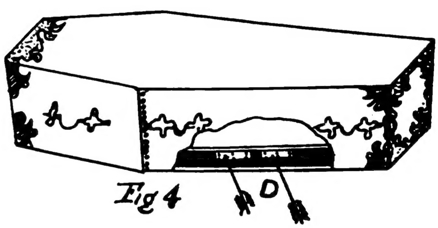


Fig 4

One man went to the trouble of constructing a hiding chamber in the lower part of a chimney at the works where he was employed. As he was in

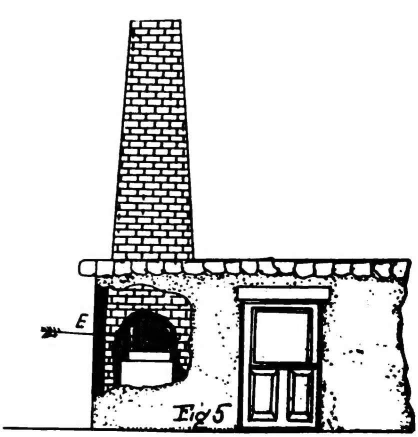


Fig 5

charge of the fire-room, he could keep his eye on things. But he forgot that the stacks were cleaned at times. He happened to be away when the chimney cleaners appeared. They found the chest, and turned it over to the owner of the plant. The chest was returned to the man to whom it belonged, and he was told to keep his cash in a safer place. It is stated that he then put it back in the bank from which he had withdrawn it during the scare.

Another man thought his money would not be safe unless he could sit on it most of the time. Hence he had a secret drawer made as shown at *f* (Figure 6). It did not take long for

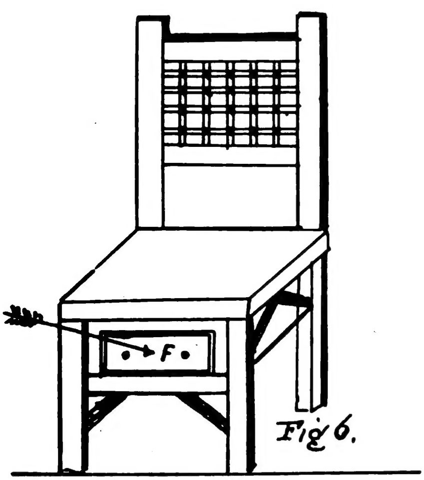


Fig 6.

the members of the household to discover why the old man sat in the chair so much. So they pried open the drawer and removed the money box. The old man was given a scare, and then his money was returned. Then he placed it back in the bank.

TRAVELLER.

FOR A CURRENCY COMMISSION.

MR. LOVERING of Massachusetts has introduced a bill in the House of Representatives to create a currency commission to frame a suitable measure for diminishing the intensity of financial crises. The commission is to be composed of six Representatives and six other persons, the latter to be appointed by the President.

The duty of this commission is described to be to investigate carefully the cause of the recent financial crisis and the relation of the banking and currency system thereto, and to make recommendations to Congress for such changes in the existing banking system as may in their opinion be desirable to meet the varying needs of the seasons and of all sections of the country, in such manner that interest rates to commercial borrowers may be kept reasonably uniform, that labor may be steadily employed and that commerce may be enlarged.

The commission may also recommend such changes as they may find desirable and within the constitutional power of Congress in regard to the banking institutions of the states and in the laws governing the distribution of public funds.

The bill provides further that the commission shall give hearings, if deemed necessary, and shall have the power to send for persons and papers, and shall report to the President not later than January 1, 1909, the report to be transmitted to Congress with such recommendations as he may deem proper. The civilian members shall be paid a salary of $750 per month, and all members of the commission may receive a per diem allowance for travelling and other expenses.

Mr. Lovering says his bill has the approval of Speaker Cannon, Senator Aldrich and Secretary Cortelyou.

CURRENCY SYSTEM CONDEMNED.

IN his recent annual report, Clark Williams, Superintendent of the New York State Banking Department, says:

"The rigid, inflexible and inadequate currency system which the laws impose rendered it impossible for the banks to supply the currency demand, and a general resort throughout the country to currency substitutes ensued."

LOUISVILLE DURING THE FLURRY.

Editor Bankers' Magazine:

Sir: In behalf of the banks of Louisville, I thank you very much for your courtesy in requesting the publication in your February number of a brief article stating how Louisville

JOHN H. LEATHERS.
Cashier Louisville National Banking Co.
(Chair'n Louisville Clearing-House Association.)

passed through the strain caused by the recent financial disturbance.

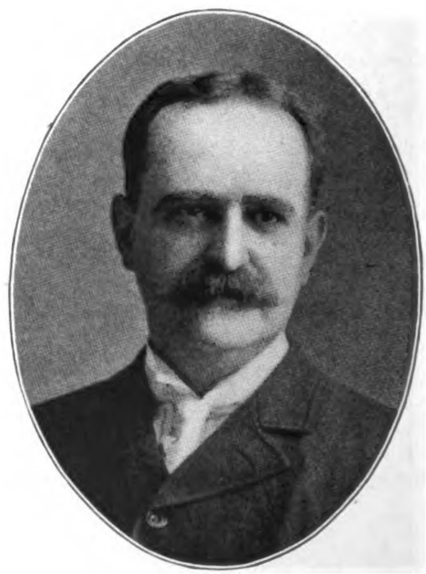
That we did pass so creditably through this serious trouble which swept over our country is, of course, highly gratifying to ourselves. That we were able to go through it as well as we did and far better, we think, than most cities of our importance, may be attributed to three important things:

1st.—When the trouble commenced it found our banks, both state and national, in a sound and healthy condition, with ample reserves and going along as usual as if nothing had happened.

2nd.—The faith and confidence of our people and our correspondents in us. There was no panic among the people, no runs on any of our banks or a semblance of a run or trouble of any character whatever, and this was true all through the crisis.

3rd.—The moderate and optimistic tone of our local press, which greatly aided in the preservation of confidence.

These three factors made the situation here comfortable and the feeling confident, and this enabled us to place less restrictions on business than other cities around us found it necessary to adopt. We placed no restriction on currency being paid out over our counters for pay-rolls and the personal checks of our depositors. Their own good sense and judgment helped us to make this demand as light as possible, they only calling for and drawing what



OSCAR FENLEY.
President National Bank of Kentucky.

their most urgent necessities demanded, and in no case have we heard of any depositor who had currency to deposit withholding it, as might be his usual custom.

As a matter of precaution and protection, following other cities, our clearing-house authorized the issuance of clearing-house certificates to be used among the banks for the settlement of their daily balances. Every bank in the clearing-house, whether it needed the certificates or not, took out the same amount and at the same time. In all, the supervision committee issued $2,500,000 of such certificates. These certificates we issued on October 28, to be retired, unless by further action of the clearing-house, in ninety days from that time, which made them mature on January 28. It is pleasing to state that by

LOGAN C. MURRAY,
President American National Bank.
(Pres. Louisville Clearing-House Association.)

January 28 every certificate had been retired.

Louisville passed through this trouble without the necessity on the part of the clearing-house or any bank issuing small certificates or cashiers' checks or other devices as a substitute for money. And, in this respect at least, we found that we were entitled to no little credit for not having to resort to a plan which many other larger and more important cities found it necessary to adopt.

H. C. RODES,
President Citizens' National Bank.

When we were cut off from our usual sources of currency supply and currency had to be brought into our city at a high premium, we were then forced to discontinue shipments of currency ourselves to our correspondents except in very limited amounts and in some cases

COL. J. D. POWERS,
President American Bankers' Association.

L. O. COX,
President Union National Bank.

charging them what it cost us to obtain it. But we sent a good deal of free currency to our correspondents, and, as before stated, we placed no restrictions on currency payments to our local depositors.

Normal conditions again prevail with us. Our banks are all in fine shape and all of them with their reserve above the requirement of the law. We naturally expect a lighter business for some months to come and, growing out of a less volume of trade, depression in business to follow this financial storm. But this is a great country, and the "great common people," Mr. Lincoln used to delight to speak of, the farmers notably, at least through the West and South, are less in debt and are in better financial condition than they have been at any time since the Civil War. With another good crop this year at fair prices the financial panic of the latter part of 1907 will only be a memory. JOHN H. LEATHERS.

LOUISVILLE, KY., Jan. 25, 1908.

ISHAM BRIDGES,
Manager Louisville Clearing-House Association.

NATIONAL BANKS CANNOT GUARANTEE DEPOSITS.

W. B. RIDGELY, Comptroller of the Currency, recently forwarded a letter to Gov. Hoch of Kansas regarding the right of national banks in a state to mutually guarantee the deposits in other banks. In his letter the Comptroller says:

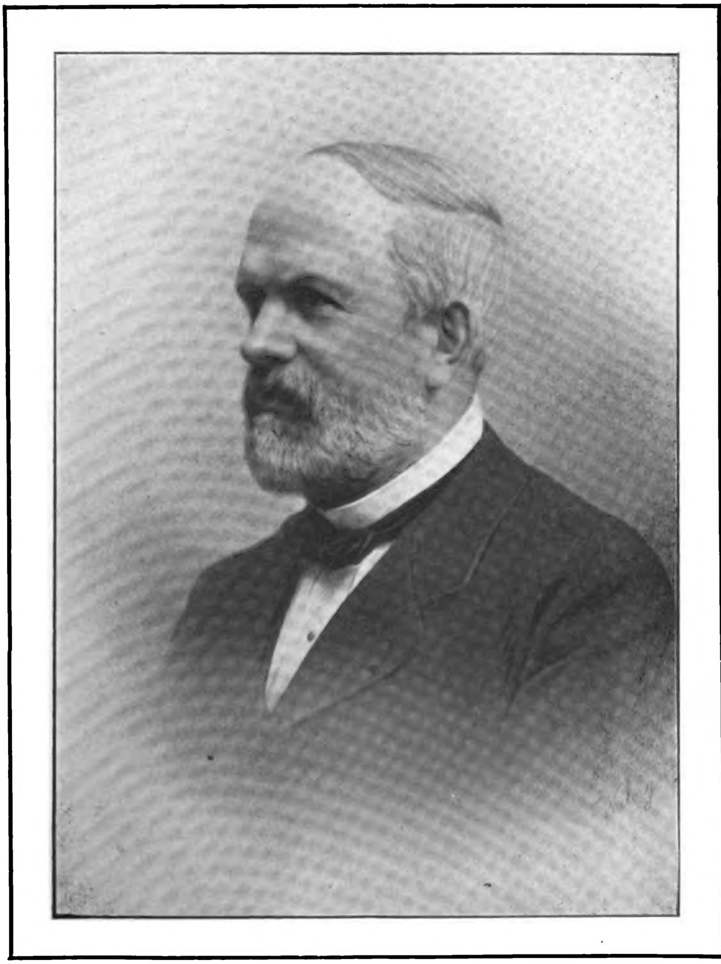
"I find that there seems to be some confusion as to the position taken by this office in regard to the right of a national bank to participate in the guarantee of deposits in other banks, on the plan provided for in the law recently passed for the State of Oklahoma.

"The principle has been well settled by judicial decisions that a national bank has no power to guarantee the obligations of a third party, except in connection with the sale or transfer of its own property. The courts have held in substance that a national bank cannot guarantee the payment of any obligation by a third party. The exception to the rule is that when a national bank actually owns promissory notes or other obligations, it may sell such promissory notes and may become an indorser thereon, thus guaranteeing payment by the makers of the notes."

KIDDER, PEABODY & COMPANY.

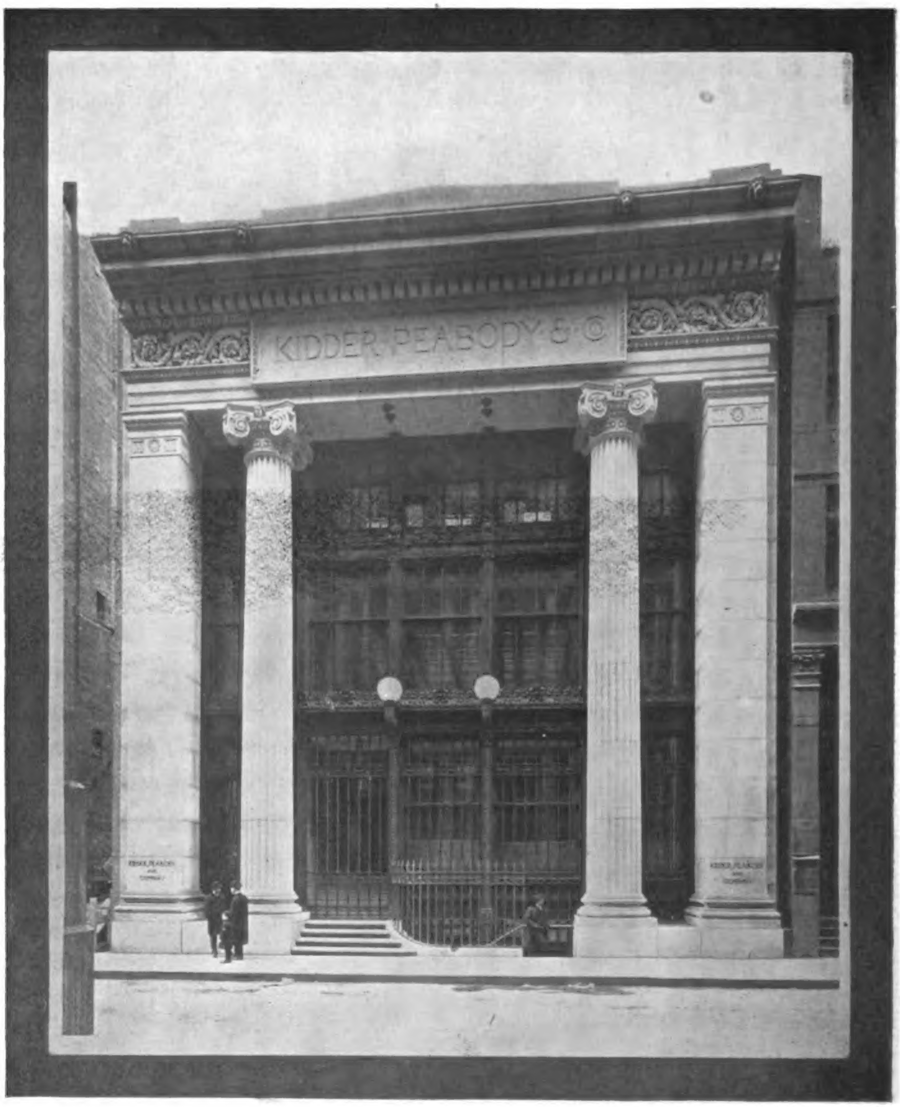
A Banking House With an Honored Name in the Financial World—Now New York Representatives of Baring Brothers & Company, Ltd.

ONE of the early copies of the Boston city directory, issued about 1825, contained the names of half a dozen bankers, among whom was John E. Thayer who was the forerunner of the present firm of Kidder, Peabody & Company. The site of Mr. Thayer's business activities was the old Union Building, about whose historic walls clusters so much of interest in Boston's early days. Although the present firm of Kidder, Peabody & Company has been in existence forty-three years—in itself a long life as banking houses go—the house really goes back nearly a century, for the affairs of the two firms have been so interwoven as to be practically one.



HENRY P. KIDDER

Head of the House of Kidder, Peabody & Company from its foundation in 1865 until his death in 1886.



BANKING HOUSE OF KIDDER, PEABODY & COMPANY.

This classic building, completed and occupied early in 1905, stands on the Devonshire Street site, opposite the Post-Office, so long occupied by the firm.

It is hardly necessary to say here that the firm of Kidder, Peabody & Company has been associated with important financial movements for many years, for no firm is better known to the financial interests of the country and none has a more honored name in the business world.

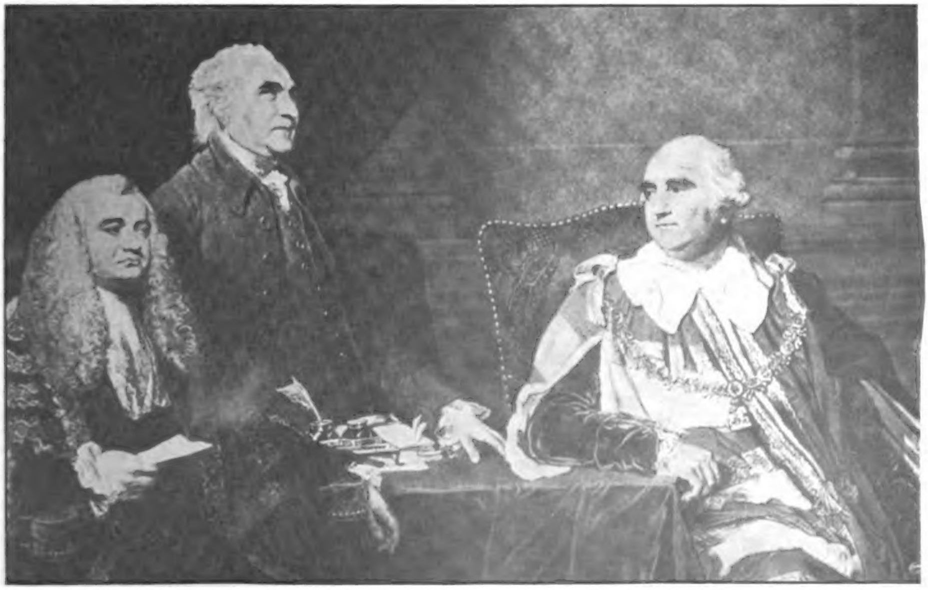
It was in 1824 that John E. Thayer came to Boston for the purpose of establishing a banking house. Needless to say, State street and the nearby thoroughfares were not lined with banking houses then, as they are to-day. There were but half a dozen bankers in the city, but these were amply ample to care for the limited financial operations of that day.

Mr. Thayer's business grew and prospered, however, and in 1838 his

MEMBERS OF THE HOUSE OF BARING BROTHERS & COMPANY.
Sir Francis Baring, founder of the House, Charles Baring, and Mr. Wall, of Hope & Co., Amsterdam.

brother, Nathaniel Thayer, was admitted to a partnership under the name of John E. Thayer & Brother.

Henry P. Kidder, until his death head of the house of Kidder, Peabody & Company, came to Boston in 1847, and at the age of twenty-four entered the employ of J. E. Thayer & Broth-



MEMBERS OF THE HOUSE OF BARING BROTHERS & COMPANY.
Lord Ashburton, who married Elizabeth Baring, daughter of Sir Francis: Colonel Barre, M.P., and Lord Shelburne, Prime Minister of England—about 1800.

ALEXANDER BARING
Lord Ashburton, head of Baring Brothers, 1848.

er. Eleven years later he was admitted to partnership in the firm.

Mr. Kidder was one of Boston's public-spirited citizens, philanthropic and interested in all good works. He was a man of fine tastes and was one of the most active factors in the establishment of the Boston Museum of Fine Arts.

On the death of John E. Thayer in 1857, Nathaniel Thayer became the head of the house, and after conducting the business for eight years he turned it over in 1865 to the newly organized firm of Kidder, Peabody & Company, the members of which at that time were Mr. Kidder and Messrs. Francis H. and Oliver W. Peabody, the latter of whom died in 1896.

The firm ran along without change until 1886, when Frank G. Webster and Frank E. Peabody were admitted to partnership, followed by Robert Winsor in 1894, and William Endicott, Jr., and Frank W. Remick in 1905.

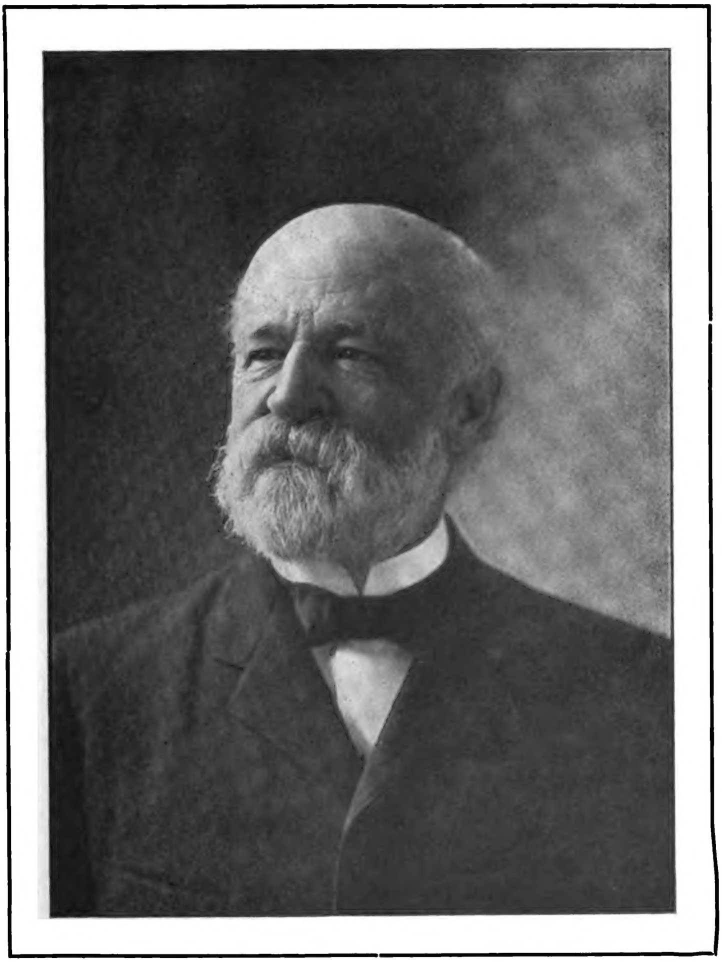
Francis H. Peabody, the head of the firm until his death in 1905, was born in Springfield in 1831, the son of Rev. William B. O. Peabody, one of the prominent Unitarian clergymen of his day. He was educated in the Springfield schools and was a clerk in the Chicopee Bank before coming to Boston, at the age of seventeen, to become a clerk for J. E. Thayer & Brother. He advanced steadily until, when in 1865 the new firm was formed, he was one of the partners. Almost to the time of his death at the advanced age of seventy-five he was at his desk every morning, but he had turned the active management of the business over to the younger members of the firm.

Mr. Webster was born in Canton in 1841 and came to the office as bookkeeper in 1865, when the new firm was organized, closing up the books of the old firm and opening those of the new. He was given an interest in the firm in 1870 and in 1886 became a full partner.

Mr. Frank E. Peabody is a native of Boston, where he was born in 1856. He commenced work in the office in 1875 and became a partner in 1886.

EDWARD CHARLES BARING
Lord Revelstoke, head of Baring Brothers & Company in 1887.

Robert Winsor, the third member of the firm, although one of the younger bankers of Boston, having been born in 1858, is easily one of the most prominent, and has been, probably, identified in a business way with more important financial undertakings than any other man of his years in New England. For a long time his position in the house of Kidder, Peabody & Company has been one of great responsibility, and upon his shoulders has fallen most of the detail and management of the concern's many important transactions.



FRANCIS H. PEABODY.
Head of the House of Kidder, Peabody & Co. from 1886 until his death in 1905.

When the transportation problem confronted the people of Boston, Mr. Winsor, assisted by powerful friends, succeeded in obtaining the charter of the Boston Elevated Railway Company, and after having it amended by the Legislature so that it was a workable proposition, succeeded in constructing the present Boston Elevated Railway, which has proved to be so successful. Mr. Winsor was one of the most active of those who built the road and is entitled to much of the credit which has followed its construction.

INTERIOR OF BANKING HOUSE OF KIDDER, PEABODY & COMPANY.
A view from the front entrance showing main office and mezzanine floor. The partners' desks are at the right in the rear.

His part in the reorganization of the Boston Gas situation required ability of the highest order, and that Mr. Winsor did his part with fairness toward every interest, not excluding the public, is now generally recognized. It is not, perhaps, too much to say that the reorganization of the Boston Gas properties and allied concerns is one of the most important which has been undertaken by Mr. Winsor, and one, the true benefits of which now they are more completely understood, have the full measure of appreciation on the part of the public which they deserve.

Mr. Winsor is not a talking man, and interviews with him in the press are noticeable for their infrequency, but he is a worker and a hard one.

Kidder, Peabody & Company's connection with the house of Baring has added greatly to the strength and prestige of the firm at home and abroad. An account with the Barings was opened in November, 1878, and their account has been held exclusively by Kidder, Peabody & Company since January 1, 1886. A New York office was opened in 1872, but was discontinued in 1891, when George C. Magoun, Thomas Baring, George F. Crane and Herbert L. Griggs formed the firm of Baring, Magoun & Company and opened an office as New York correspondents of the Barings. This firm later became Baring & Company, and on the return to England recently of Mr. Hugo Baring the partnership was discontinued and Kidder, Peabody & Company again opened a New York office at 56 Wall street.

Kidder, Peabody & Co. will be represented in New York by William L. Benedict, for many years associated with the firm in Boston, and by George D. Hallock and Albert L. Mason, formerly of Baring & Company.

A notable building is the beautiful

new banking house which was completed in 1905 by the firm on the site so long occupied on Devonshire street, opposite the Post Office. It is considered one of the finest and most commodious banking houses in the country. When the firm removed from the Union Building in 1882, the rear property, now occupied, was purchased, and for many years entrance was had through the adjoining building, No. 113 Devonshire street. When the opportunity presented itself of purchasing the Devonshire street frontage, the firm secured the property and erected the new building, which provides nearly double the space formerly occupied.

The exterior architecture of the building is of the Roman composite order, and its most striking feature is the two massive fluted pillars of limestone that rise forty-one feet above the sidewalk. Two immense piers of the same material flank them on the outside, and the ornamental work surmounting the whole, including the capitals and the handsome sculptured cornice, is in keeping with the general scheme of the front.

The building has a frontage of about fifty feet and rises two and one-half stories, the upper story being a monitor twenty-five feet high surmounting a glass floor.

Almost the entire front of the building is plate glass, one section of the ground floor and another for the balcony floor, set five or six feet back from the street, in order to permit of a front entrance to the basement. The lower section of the glass screen is covered with a heavy grille work of bronze, and bronze railings also protect the basement passage.

Another View of the Banking House Showing Foreign Correspondence Department.

In the interior of the new part, in front, are the delivery and bond cages. On the left, as one enters, are a tastefully furnished ladies' room, a consultation room, and the cashier's department, in the order named. The right hand, or northerly side, is devoted to the telegraph and telephone department and the desks of various clerks.

In the new and the old part of the main floor there are about 5,600 square feet of floor space. The counters and other woodwork are of solid mahogany, giving a very rich and warm effect to the whole interior.

A balcony floor runs around the four sides of the building and is lighted by a large central skylight, which in itself forms part of the third or monitor floor. Part of the balcony floor itself is of glass. Across the entire front of the third floor is a commodious and well-appointed directors' room. No facility

OLIVER W. PEABODY.
The Third Member of the Original House of Kidder, Peabody & Co., Who Died in 1896.

for the prompt and careful transaction of business has been overlooked.

Kidder, Peabody & Company have always made a specialty of investment securities and undoubtedly carry on their books the names of more small investors than any other banking house in New England, and it is doubtful if the list is equalled by any banking house in the United States. Many banking houses which do a large business, while accepting small investment orders, do not care for that kind of business, preferring speculative accounts carried on margin where commissions are larger and more frequent. Kidder, Peabody & Company, however, have always encouraged the small investment business. It may be mentioned that no stocks are carried on margin by this house.

A COMMERCIAL CLEARING-HOUSE.

A PLAN for a "Commercial Clearing-House" through which business firms may settle their debts and collect their bills among themselves without recourse to the banks was launched at the recent meeting of the Chicago Credit Men's Association. The proposal received the approval of the representatives of 350 large business houses, and a committee was appointed to make an investigation with a view to devising ways and means to put the plan into operation.

The proposal is to adapt the bankers' clearing-house system to the needs of mercantile affairs, the large mercantile houses to effect their debtor and creditor settlements directly among themselves by the exchange of cancelled checks, in a manner similar to the settlements made by banks, without the necessity for the exchange of money.

WE ARE MAKING PROGRESS.

RT. HON. JAMES BRYCE, the British Ambassador, and one of the closest students of our institutions, in an address before the New York State Bar Association on January 24, said:

"Never, I think, since the close of the Civil War has there been among the best citizens of the United States so active a public spirit, so warm and pervasive a desire to make progress in removing all such evils as legislation can touch. Never were the best men, both in your legislatures and in the highest executive posts, more sure of sympathy and support in their labors for the common weal."

NEW YORK CITY BANKS IN THE RECENT PANIC.

THERE has been more or less criticism of the course taken by the banks of New York city in the recent panic. This criticism appears to be based upon a lack of familiarity with the facts. The following, taken from a report made to the United States Senate by the Secretary of the Treasury will do much to set the matter in its true light:

"The justification for taking vigorous action to arrest panic is found in the remarkable figures of the disappearance of currency during the period of about six weeks from the suspension of the Knickerbocker Trust Company on October 22 until confidence was partially restored early in December. The amount of currency which disappeared from sight during this period, as nearly as can be ascertained from the national bank reports and other sources of information, was about $296,000,000, as follows:

CASH ABSORBED IN UNITED STATES DURING THE PANIC.

Reduction in cash in national banks, August 22 to December 3	$40,838,786
Net imports of gold, November 1 to December 31	106,403,770
Increase in public deposits, August 22 to December 3	79,834,689
Increase in bank circulation, August 22 to December 3	49,856,524
Decrease in cash in State banks and trust companies of New York city, August 22 to December 19	19,191,700
Total	$296,125,469

"Of this great absorption of currency, amounting substantially to one-tenth of the entire estimated money in circulation in the United States, more than two-thirds of the burden fell upon New York. This was almost inevitable from the fact that New York is the financial distributing center of the country. The figures show that more than the entire net loss in national bank reserves fell upon the national banks of New York city. The national banks outside of New York city, in spite of heavy demands upon them, were able by the aid of New York to maintain an amount of cash actually larger by a small amount on December 3 than they held at the date of the previous report to the Comptroller on August 22, when conditions were still relatively tranquil. The national banks of New York city not only met the demand for currency until their reserves were reduced $54,103,600 below the legal limit, but in addition they imported and distributed $95,000,000 in gold, and distributed also, in order to meet the demands of their depositors and banking correspondents, all of the money of the Government deposited with them. The result was that of the $296,000,000 currency absorbed throughout the country, $218,275,304 was provided by the banks of New York city. The amount thus disposed of by New York banks and trust companies is shown in the following table:

CURRENCY ABSORBED THROUGH NEW YORK BANKS.

Reduction in cash in national banks, August 22 to December 3	$41,692,312
Net imports of gold, November 1 to December 31	94,095,481
Increase in public deposits, August 22 to December 3	47,576,356
Increase in bank note circulation, August 22 to December 3	15,719,455
Reduction of cash in State banks and trust companies, August 22 to December 19	19,191,700
Total	$218,275,304

"It is possible to account in a measure for the distribution of this enormous sum through the country and through individuals. The communication from the chairman of the New York Clearing-House Committee appended to this report shows that the shipments of currency by New York Clearing-House banks, chiefly national banks, to the interior, from October 19 to December 7, were $106,921,700. Receipts of currency during this period by New York banks were only $24,043,-

800, while gross shipments were $130,-965,000.

"Of the total amount absorbed through New York banks there remains to be accounted for about $111,000,000. It is known that about $8,000,000 in cash was paid to depositors by one large trust company which suspended payments, and about $34,000,000 by another trust company which was able to meet an unprecedented run without suspension. These are only examples of the withdrawals made in somewhat less proportion from other trust companies.

"It is not possible to follow the movements of actual currency by the movements in deposits, because it is not the custom in this country to separate actual deposits of currency and checks from transfers to the deposit account of amounts advanced in loans. A large part of the shrinkage in deposits in New York trust companies was due to the contraction of loans.

"But even with these qualifications, the changes in deposits illustrate the intensity of the pressure on the trust companies, which reduced their deposits subject to check, between August 22 and December 19, by the sum of $267,-875,936. On the other hand, there was an increase in national bank deposits from August 22 to December 3, of $53,280,936, representing the transfer of loan and deposit accounts from trust companies to national banks. The net decrease in deposits of the two classes of institutions shown by these figures is $214,595,000. This amount fully accounts for the disappearance of currency, by hoarding and otherwise, even when allowance is made for merely bookkeeping items involving the reduction of loans and a corresponding reduction of deposits."

WORK OF THE AMERICAN BANKERS' ASSOCIATION.

THE Advisory Committee of the American Bankers' Association met recently at the association offices, Hanover Bank Building, New York.

Of the members of the committee, there were present Col. J. D. Powers, Louisville, Ky., president of the association; Lewis E. Pierson, New York city, chairman of the executive council; John L Hamilton of Illinois; F. O. Watts, Nashville, Tenn.; M. E. Ailes, Washington, D. C.; C. H. Hollister, Grand Rapids, Mich.; and the secretary of the association, Fred. E. Farnsworth. Also by special invitation, George M. Reynolds of Chicago, first vice-president; and A. A. Crane of Minneapolis, Minn., treasurer of the association.

The general work of the association since its last meeting in September, was thoroughly gone over, and the work of Chairman Pierson and Secretary Farnsworth approved.

A number of new propositions were outlined which would be of benefit to the association and its members. These were referred, with favorable recommendations, to the Executive Council at its next meeting which will be held about May 1.

The committee decided on the publication of a new cipher code, and authority was given for a thorough revision of the old code. It has developed that the members of the association are using the code quite extensively, and the supply of the old code being exhausted, a new one is necessary as well as desirable.

It was announced to the committee that the Clearing-House Section, through its president, August Blum, of Chicago, instructed the secretary to go ahead with the proposed numbering of drafts, giving clearing-house number and assigning a number for cities.

Various special committees were appointed by the advisory committee. Among others, one on voucher-checks. Another committee was also appointed for the purpose of submitting a few changes in the constitution. Many of these committees will report to the executive council meeting in May.

The matter of the consolidation of the various offices of the sections and institute, bringing same into the building occupied by the main association, with offices adjoining the association offices, was referred to the council.

A resolution was passed authorizing the secretary, in line with his suggestion, to form a library devoted to banking and finance, which will at all times be available to those seeking information on these important measures.

The first meeting of the committee was successful in every particular and was an evidence of the increasing interest in the work of the association along its various lines.

MODERN FINANCIAL INSTITUTIONS AND THEIR EQUIPMENT

ASSISTANT CASHIER NATIONAL BANK OF CUBA.

THE National Bank of Cuba, with fourteen branches throughout that island, has entered a new field with the establishment of an agency in New York.

Because of his wide experience and thorough knowledge of banking methods used in different countries, Assistant Cashier Henry C. Niese has been chosen manager of the office here.

Mr. Niese is well and favorably known in New York, having at one time held an important position in the banking and export firm of G. Amsinck & Co., before his connection with the National Bank of Cuba.

Copyright, 1908, by Pirie MacDonald,
Photographer of Men, N. Y.

HENRY C. NIESE,
Assistant Cashier, National Bank of Cuba.

His early education and business training were received in Germany, but in the last fifteen years Mr. Niese has traveled extensively in Mexico, Central and South America.

These were not pleasure trips altogether, for most of his valuable experience was gained from work in the Spanish-American countries. Outside of English, he speaks fluently Spanish, French and German, and this command of languages enables him to be of great assistance to the customers of his bank.

He is thoroughly conversant with all the details of banking as conducted in Cuba and is always glad to consult with anyone in his office at 1 Wall street.

REDISCOUNTED NOTES.

JUST FOR CHANGE.

IT'S nice to have some small money, just for a change.—*Philadelphia Bulletin.*

GET RICH QUICK.

MOST people would be willing to work for their money if it were not such a slow process.—*Chicago Record-Herald.*

WE DON'T GET OUR MONEY BACK.

OUR girls who marry foreign noblemen generally come back, but their money never does.—*Washington Herald.*

NEW FORM OF JOINT ACCOUNT.

PARKE—You keep a joint bank account with your wife, don't you?

Lane—I deposit the money, and she draws it out.—*Harper's Weekly.*

HOARDING DISCOURAGED.

KNICKER—Hoarders are not public-spirited.

Mrs. Knicker—Certainly not; I shall get some new gowns immediately.—*New York Sun.*

JOY OF THE RECEIVER.

"HOW we have changed since the old days!"

"What do you mean?"

"Why, to-day it isn't half so blessed to give as it is to be a receiver."—*Life.*

DETECTIVE DISCOVERED ONE THING.

CHURCH—Did that detective you engaged discover anything?

Gotham—Yes; that I had money.—*Yonkers Statesman.*

WHERE TO PUT MONEY.

"PUT your money in a piano," advertises a music house.

That's all right if you can get negotiable notes out of it. Be still, Fido!—*Chicago Journal.*

CAPITAL AND LABOR CONTRASTED.

"LET me illustrate the difference between capital and labor," said the rich uncle to the impecunious nephew. "Suppose I give you five hundred dollars—"

"That's capital," replied the nephew, extending his hand for the money.—*Philadelphia Inquirer.*

HE PUT THE MOTTO ON HIS COINS.

THE counterfeiter faced the court. "Your Honor," he said, "it is true that I made a few coins, but conscience impelled me to do so."

"State your meaning clearly," said the court.

"I had been shocked by the absence of the motto," continued the prisoner; "you will observe that it appears on every coin of my manufacture."—*Philadelphia Ledger.*

PUBLISHERS ANNOUNCEMENTS

WE try to be as modest as we can, but we receive such kind, appreciative comments from our readers sometimes that we think it does no harm to repeat them occasionally.

Perhaps reading these expressions will make some of our other readers appreciate more fully just how good a publication THE BANKERS MAGAZINE is.

Here's one, for instance:

SELLERSVILLE, PA., Jan. 10, 1908.

Dear Bankers Magazine:

Unpardonable delay in remitting not due to currency stringency: but stringency in time to read. We have to study the papers, local and metropolitan; and country bankers after putting in a ten hour day, (don't let the labor unions find that out), feel like resting after ten p. m. But the last number was too good, can't break off, no use trying. The least one can read a month in the BANKERS MAGAZINE is well worth the price. To get awake this month I started out on the Book Review. I don't agree with him, by a "jug full," but it is good reading and gets one awake to read the invaluable Decisions, and the host of other good stand-bys.

Respectfully,

(Signed) W. F. DAY, *Cashier.*

Sellersville National Bank.

Mr. Fred W. Demmick, secretary to the president of the National Bank of the Republic, Boston, Mass., says that he "devours" the MAGAZINE every month and thinks that it is the finest publication of the kind in the world. He values the "Banking and Commercial Law" Department particularly.

Mr. O. M. Jefferds, assistant cashier of the Seaboard National Bank of New York, says: "There are a number of financial publications that come to us here at the bank. I glance at them here, but the BANKERS MAGAZINE I take home to read and enjoy at my leisure."

Mr. H. C. Witmer of Los Angeles, Cal., in writing to get a missing number of the magazine, says that he has it, bound, for the past twenty-four years.

Dr. Channing Rudd of "The Wall Street Journal" says: "I am greatly interested in the splendid work which you are carrying on in your "Banking Publicity" Department. I believe that the subject of financial advertising has a very large future before it and that we should profit by the experience of the past and present in formulating a basis for future work."

A bank clerk in Little Falls, N. Y., said that he had seen the BANKERS MAGAZINE come into his bank for two years and yet made no attempt to learn what it contained. Happening to pick it up one day he became absorbed in it and read for hours. Now he is going through back numbers in the attempt to make up for what he has lost in all these months. He says: "Every man who has entered the banking business

as his life work should make the acquaintance of the Bankers Magazine."

In this connection we want to call attention to another new Department in the magazine—that in the interests of the American Institute of Banking. This organization though comparatively young, is one of the most efficient associations of its kind in the business world. The educational work of the Institute is very important and makes the organization a training school for the coming bankers and financiers of the country. We propose to make this department of interest not only to the members of the American Institute of Banking, but to the entire banking community. We want the members of the various Chapters to regard this new department as peculiarly theirs to command. We trust that the Bankers Magazine will continue to be a help and an inspiration to the young bankers of to-day as it has been to several generations which have gone before.

On the other hand, we feel certain that all of our readers will be helped and inspired by reading the bright and interesting accounts of the doings of the energetic young men in the various Chapters as they are recounted from time to time in the pages of this new department.

As we have said before, it is the purpose of the publishers and editorial staff of the Bankers Magazine to go on steadily improving the magazine, not only keeping it where it has always been—at the head of the procession—but making it increasingly interesting, practical and authoritative until it comes to be universally regarded as the one absolutely indispensable magazine for bankers and those interested in financial affairs.

With this object in view, we desire the suggestions and co-operation of our friends and readers. One very practical way for you *individually* to help the good work along is to recommend the Bankers Magazine to those of your banking friends who do not know how really helpful it is.

NEW YORK A CHILLY PLACE.

According to W. E. Curtis, a correspondent of the Chicago "Record-Herald," New York is a heartless place. Every Western man who has come here will tell you that the atmosphere is different from that to which they have been accustomed. There is less bonhomie in business circles. Every man of large affairs is looking out for himself and seldom permits friendship to get mixed up in his business relations. The devil is allowed to catch the hindmost here without interference from those who are the head of the procession, while in Chicago, St. Louis and elsewhere the stronger always helps the weaker.

DEPOSIT INSURANCE.

On January 18 Senator Waggener introduced into the Kansas Senate a bank depositors' guarantee law.

The bill provides for the organization of a deposit insurance company with a capital not less than $1,000,000 to insure depositors of any bank or trust company against loss. No bank or trust company may subscribe for stock in the insurance company in excess of ten per cent. of the bank's capital. The insurance company must not permanently invest any of its funds outside of Kansas. It has the power to examine any insured bank at any time.

PROSPERITY COMING.

That picturesque financier John W. Gates discerns signs of returning prosperity. In a recent interview, he said:

"When the American people start in to wear their old clothes, it does not take long to bring business back to normal."

CALL THE NEXT WITNESS.

It costs more to keep a permanent receiver than it does to keep a harem. Anybody who has had experience in these matters will indorse this statement.—*Mark Twain.*

MONEY, TRADE AND INVESTMENTS

New York, Feb. 3, 1908.

Money Is Flowing Back into its former channels and interest rates have declined both at New York and other money centres here and abroad. The scarcity of money is disappearing, but confidence has been so badly shaken that its restoration must be of slow growth.

The aftermath of the panic has brought more bank suspensions. Four New York banks closed their doors last month, the Bank of North America on January 20, the New Amsterdam National Bank and the Mechanics and Traders' Bank on January 29, and the Oriental Bank on January 31. The Hamilton Bank, which closed during the panic, was reopened on January 20.

With the closing of the four banks named, the retirement of all the clearing-house certificates issued to the New York banks has practically been completed. The total amount authorized, it is reported, was $100,000,000 and the highest amount outstanding at any one time was $84,000,000. All the banks now in operation have retired their certificates, while the four banks which failed last month are reported to have $5,520,000 still outstanding. The severity of the strain upon the banks during the recent trouble may be inferred from a comparison of the issues of these relief certificates at different periods. The annexed table shows the issues in former years and the approximate issue in 1907.

New York Clearing House Certificates.

	When Issued.	When Cancelled.	Total Issue.	Maximum Issue.
1907	Oct. 26	*Jan. 28	$100,000,000	$84,000,000
1893	June 21	Nov. 1	41,490,000	38,280,000
1890	Nov. 12	Feb. 7	16,645,000	15,205,000
1884	May 15	June 6	24 915,000	21,885,000
1873	Sept. 22	Jan. 14	26.505,000	22,410,000
1864	Feb. 29	June 13	17,728,000	16,418,000
1863	Sept. 15	Feb. 1	11,471,000	9,608,000
1861	Sept. 16	April 28	22.585,000	21,960,000
1860	Nov. 23	Mar. 9	7,375,000	6,860,000

*5,520,000 certificates taken out by failed banks still outstanding.

The accumulation of money in the banks is now proceeding very rapidly and there is strong indication that the New York Clearing-House banks will in no remote time be carrying a larger surplus reserve than piled upon them in 1893 and 1894 and finally exceeded $111,000,000. It is now ten weeks since the banks reported a deficit of $54,000,000 and this deficit has given place to a surplus of $40,000,000. It has taken only four weeks to accumulate this surplus and wipe out a surplus of $11,000,000 which existed on January 4th.

Nearly $110,000,000 of cash has been gathered into the banks since the panic was at its height. Between October 19 and November 23 the cash reserve fell from $267,000,000 to $215,000,000, a loss of $52,000,000. Since the latter date these reserves have risen to $325,000,000 an increase of about $110,000,000. The banks now have

$57,000,000 more cash than before the panic began. The changes in reserves since October 19th last are shown in the annexed table.

Money has become cheaper although there is complaint that it is no easier to get while unfortunate debtors are being pressed to pay up. Call money in New York which commanded 20 per cent. early in the month was as low as 1½ per cent. late in January.

The leading banks in Europe have made very important reductions in their rates of discount. The Bank of England reduced its rate three times during the month, on January 2d from 7 to 6 per cent., on January 16th to 5 per cent., and on January 23d to 4 per cent. The Bank of France reduced its rate from 4 to 3½ per cent. and again to 3 per cent., while the Bank of Germany reduced the rate from 7½ to 6½ per cent. on January 13th, and two weeks later to 6 per cent.

With the easing up of money there came a sharp advance in the stock market which however was followed by reactions. A broadening inquiry for bonds has developed however and sales of this class of securities at the Stock Exchange were larger than in January, 1907, and nearly as large as in the same month in 1906 when they exceeded $100,000,000.

A large bond issue is reported to be contemplated by New York city and a prominent banking-house is said to have arranged to take the entire issue. The New York Central placed $30,000,000 equipment notes most of which were subsequently disposed of to the public.

In some particulars therefore there are signs of improvement, but the fact is not to be ignored that there has been a very great set-back in business generally. The ranks of the unemployed have been considerably recruited and in many business enterprises a large reduction in production has occurred.

Railroad earnings are showing severe decreases in net earnings. Those railroads which a year or two ago increased the wages of their employes are now finding it difficult to pay the increase and keep the balance on the right side of their books. It is reported that nearly 15 per cent. of all the freight cars in use by the railroads are now idle. They number some 320,000 and represent an investment of $320,000,000. It is further estimated that the locomotives which would be used to haul these cars and which must consequently be idle also, number 15,000 and represent an investment of $120,000,000 also. The loss of interest on this investment is only one phase of the disaster which confronts the railroads.

Our foreign trade still furnishes the strongest evidence of the wealth and prosperity of the country. Exports in December reached a new high record and exceeded $207,000,000. Imports however fell off to $92,000,000, suggestive of a cutting down of expenditures for luxuries as a result of the chastening influence of hard times. It may also mean a reduction in the demand for raw materials by our manufacturers. The balance of exports is nearly $115,000,000, a record-breaker.

For the calendar year both exports and imports have exceeded all previous

Reserves in New York Banks.

	Reserve.	*Surplus Reserve.*		*Reserve.*	*Surplus Reserve.*
Oct. 19	$267,610,500	$11,182,650	Dec. 14	$226,615,300	Def. $40,101,175
" 26	254,709,700	Def. 1,233,300	" 21	233,122,500	" 31,751,000
Nov. 2	224,107,900	" 38,838,825	" 28	242,561,000	" 20,170,350
" 9	219,794,000	" 51,924,625	Jan. 4	250,606,900	" 11,509,550
" 16	218,759,000	" 53,666,950	" 11	268,996,800	6,084,050
" 23	215,851,100	" 54,103,600	" 18	295,182,600	22,635,475
" 30	217,831,400	" 52,989,425	" 25	318,856,500	37,064,500
Dec. 7	222,502,500	" 46,210,350	Feb. 1	325,152,100	40,526,725

records, the former reaching $1,923,000,000 and the latter $1,423,000,000. This gives an export balance of $500,000,000 an amount exceeded only three times. In 1898 the balance was $620,000,000, in 1900 $648,000,000, and in 1901 nearly $585,000,000. Only once in the last ten years has the balance been less than $400,000,000. That was in 1902 when it was $391,000,000.

The total gold imported in December was $44,000,000 making a total of $108,000,000 in the two months, November and December. But for this movement there would have been a net loss of gold for the year. The actual gain in 1907 was $88,000,000 as against nearly $109,000,000 in 1906. The only other year in which as much gold was imported as in 1907 was 1898 when nearly $142,000,000 of gold net came into the country. In the last twelve years the gold imported into the United States, in excess of exports, has amounted to $397,000,000.

The condition of the iron and steel trade is indicated in the reports published last month showing the aggregate production of pig iron during 1907 and the net earnings of the United States Steel Corporation in the last quarter of the year. The prosperity of the country is so intimately related to activity in the iron trade that any important changes in the latter are bound to command widespread attention.

As far as production of iron is concerned the year's aggregate of 25,781,361 tons is a very satisfactory exhibit, exceeding by 474,000 tons the total for 1906 which was by far the largest ever recorded in a single year. But the gain was all in the first half of the year and since July 1st there has been a steady and rapid decline in production, until at the close of the year the output was estimated at only about 12,000,000 tons a year, or about the amount produced during the last half of the year. Usually the production in the second half of the year is larger than in the first half, but 1907 furnishes one of the few exceptions to the rule, the output being 13,478,044 tons in the first half and 12,303,317 tons in the last half, a decrease of nearly 1,200,000 tons. The accompanying table shows the production of pig iron in each half year of the last eleven years.

The yield in the first six months of 1907 was the largest ever recorded in a single half year, but the total in the last six months was 421,000 tons less than in the corresponding period of 1906 as well as lower than in the first half of that year. Still the year's aggregate exceeds all previous years. It was not until 1898 that as much as 10,000,000 tons was produced in twelve months. In the early "eighties" the annual output was only about 4,000,000 tons, an amount equalled in two months last year. But for the extraordinary shutting down of blast furnaces since October 1st the statistics for the year would be very encouraging.

On October 1st last the furnaces in blast had a weekly capacity of 511,397 tons. The maximum record was 528,170 tons on July 1st last. In October there was a reduction of nearly 20,000

Pig Iron Productions.

Year.	First Six Months.	Second Six Months.	Total.
	Tons.	Tons.	Tons.
1897	4,403,476	5,249,204	9,652,680
1898	5,869,703	5,904,231	11,773,934
1899	6,289,167	7,331,536	13,620,703
1900	7,642,569	6,146,673	13,789,242
1901	7,674,613	8,203,741	15,878,354
1902	8,808,574	9,012,733	17,821,307
1903	9,707,367	8,301,885	18,009,252
1904	8,173,438	8,323,595	16,497,033
1905	11,163,175	11,829,205	22,982,380
1906	12,582,250	12,724,941	25,307,191
1907	13,478,044	12,303,317	25,781,361

WEEKLY CAPACITY OF FURNACES IN BLAST

Highest.		Lowest.		December 31.
Date.	*Tons.*	*Date.*	*Tons.*	*Tons.*
1892.....March 1	193,902	Sept. 1	151,648	173,068
1893.....May 1	181,551	Oct. 1	73,895	99,087
1894.....Dec. 1	168,762	June 1	62,517	168,414
1895.....Nov. 1	217,306	May 1	156,554	207,481
1896.....Jan. 1	207,481	Oct. 1	112,782	159,720
1897.....Dec. 1	226,024	Jan. 1	159,720	226,608
1898. ...March 1	234 430	Aug. 1	206,777	243,516
1899.....Dec. 1	296,959	March 1	228,195	294,186
1900.... Feb. 1	290,010	Nov. 1	207,381	243,254
1901.....Dec. 1	317,358	Jan. 1	243,254	291,992
1902.....July 1	343,250	Jan. 1	291,992	346,073
1903.....June 1	388,178	Dec. 1	244,156	185,636
1904.....May 1	368,244	Jan. 1	185,636	377,879
1905.....Dec. 1	475,814	Jan. 1	377,879	463,673
1906.....Dec. 1	513,860	Sept. 1	441,426	507,397
1907.....July 1	528,170	Dec. 1	347,872	282,652

NOTE: Prior to 1900 the figures include charcoal, and since, only coke iron.

tons per week; in November of 144,000 tons and in December of 115,000 tons, leaving the weekly output at only 232,-652 tons on January 1st. This is the lowest record made in seven years excepting only January 1st, 1904, when the output was 185,636 tons. In the panic period of 1903 the reduction in output was only about 203,000 tons, from 388,178 tons on June 1st, 1903 to 185,636 tons on January 1st, 1904, a period of seven months. In 1907 the production fell from 528,170 on July 1st to $232,652 tons on January 1st following, a reduction of 295,000 tons in six months.

Turning now to the report of the United States Steel Corporation just issued, it will be of interest to note the changes recorded in the net earnings of that great corporation. Herewith is given a statement of the net earnings of the company for each month and quarter since its organization in 1901.

The earnings in December were only about $5,000,000 the smallest for any month in the company's career excepting the four months from November 1, 1903, to March 1, 1904. It is a notable fact that in the first month of the quarter the earnings were the largest ever reported. From $17,000,000 in October the earnings fell to $5,000,000 in December. Such a phenominal decline in earnings suggests how difficult a task the founders of this great business cor-

NET EARNINGS OF UNITED STATES STEEL CORPORATION.

	1901.	*1902.*	*1903.*	*1904.*	*1905.*	*1906.*	*1907.*
January	....	$8,901,016	$7,425,775	$2,868,213	$6,810,847	$11,856,375	$12,838,703
February	....	7,678,583	7,730,361	4,540,673	6,629,463	10,958,275	12,145,815
March	....	10,135,858	9,912,571	6,036,346	9,585,586	13,819,840	14,137,974
April	$7,356,744	12,320,766	10,905,204	6,863,833	9,037,925	12,581,902	14,600,838
May	9,612,349	13,120,930	12,744,324	6,256,518	10,602,187	14,041,601	16,056,832
June	9,394,747	12,220,362	12,992,780	6,370,374	10,665,004	13,501,550	14,846,035
July	9,580,151	12,041,914	12,384,647	6,344,771	9,035,168	12,242,098	13,804,167
August	9,810,880	12,972,729	10,918,174	6,202,957	10,986,901	13,158,860	15,279,173
September	9,272,812	11,930,846	9,120,134	6,226,204	11,218,513	12,713,666	14,720,945
October	12,205,774	12,652,707	7,675,141	7,250,204	12,400,306	14,984,926	17,052,211
November	9,795,841	10,686,906	4,069,901	7,117,418	11,827,215	13,482,464	10,467,253
December	7,758,298	8,646,146	8,292,140	7,091,112	11,051,167	13,277,574	5,034,531
	....	$133,308,763	$109,171,152	$73,176,522	$119,787,658	$156,624,275	$160,984,477
YEAR.							
1st quarter	....	$26,715,457	$25,068,707	$13,445,232	$23,025,896	$36,634,490	$39,122,492
2d "	$26,363,840	37,662,058	36,642,308	19,490,725	30,305,116	40,125,033	45,503,705
3d "	28,663,843	36,945,489	32,422,955	18,773,932	31,240,582	38,114,624	43,804,285
	29,759,912	31,985,759	15,037,182	21,458,734	35,278,688	41,744,964	32,553,995

poration set themselves when they undertook to put the steel industry upon a foundation so stable as to make it immune from the usual fluctuations which enter into business activities generally.

The unfilled orders of the company on December 31st were 4,624,553 tons, the smallest since September, 1905, and but little more than one-half of the amount on December 31, 1906.

The Money Market.—The rates for money on call have fallen to an abnormally low figure. Time money is freely offered but lenders are very exacting regarding the character of the collateral offered. Commercial paper is in good demand and is being freely taken by banks. At the close of the month call money ruled at 1½@2 per cent., with the majority of loans at 2 per cent. Banks and trust companies loaned at 1½ per cent. as the minimum but the trust companies were not in the market with offerings. Time money on Stock Exchange collateral is quoted nominally at 3@3½ per cent. for thirty to ninety days, and 4½ per cent. for longer periods on good mixed collateral. For commercial paper the rates are 5½@6 per cent. for sixty to ninety days' endorsed bills receivable, 5½@6 per cent. for first-class four to six months' single names, and 6@6½ per cent. for good paper having the same length of time to run.

New York Banks.—The first month of the year witnessed an increase of nearly $83,000,000 in the cash reserves of the New York banks of which $70,000,000 was in specie. Deposits increased $87,000,000 and loans were reduced $14,000,000. The deficit which on November 23d amounted to $54,000,000 and at the close of 1907 to $20,000,000 was extinguished on January 11 and a surplus of $6,000,000 was reported on that date. In the three weeks following this surplus was increased to $40,500,000. Compared with a year ago the deposits show an increase of $62,000,000 and the surplus reserve of $28,000,000. The banks are reducing their circulation, about $2,000,000 being retired last month.

Foreign Banks.—The Bank of England gained nearly $40,000,000 in gold during the month of January and now has $20,000,000 more than it held a year ago. Germany gained $8,000,000 while France lost $1,000,000 and Russia $24,000,000.

Foreign Exchange.—Sterling exchange advanced during the month although at times the market was very irregular. There was little activity and the market was influenced by the declining rates for money. Late in the month there were rumors of possible gold exports, but there is no evidence of such a movement pending.

Money Rates Abroad.—Rates for money abroad fell considerably last month. The Bank of England reduced its rate of discount three times, lowering it from 7 to 4 per cent. The Bank of France by two reductions put its rate down from 4 to 3 per cent., and the Bank of Germany also reduced its rate twice, which leaves it at 6 per cent., against 7 per cent. a month ago. Discounts of sixty to ninety-day bills in London at the close of the month were 3½@3⅝ per cent., against 5¾@5⅞

Money Rates in New York City.

	Sept. 1.	*Oct. 1.*	*Nov. 1.*	*Dec. 1.*	*Jan. 1.*	*Feb. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances	2½—4	4 —6	6 —20	5½—12	8 —18	1½—2
Call loans, banks and trust companies	2½—	2½—	....	....	....	1½—
Brokers' loans on collateral, 30 to 60 days	5 — ½	5¾—6	6½ 7	....	12 —	3 — ½
Brokers' loans on collateral, 90 days to 4 months	6 — ½	6 —½	6½—7	12—15	10 —	3 — ½
Brokers' loans on collateral, 5 to 7 months	6½—7	6 —½	6½— 7	....	7 —8	4½—
Commercial paper, endorsed bills receivable, 60 to 90 days	6½—	7 —	7 —	7 —7½	8 —½	5½—6
Commercial paper, prime single names, 4 to 6 months	6½—	7 —	7 —	7 —7½	8 —½	5½—6
Commercial paper, good single names, 4 to 6 months	6½—7	7 —	7 —	8 —	9 —	6 — ½

New York City Banks—Condition at Close of Each Week.

Dates.	Loans.	Specie.	Legal tenders.	Deposits.	Surplus Reserve.	Circulation.	Clearings.
Jan. 4...	$1,132,871,800	$192,120,900	$58,486,000	$1,048,465,800	*$11,509,550	$72,316,300	$1,335,387,800
" 11...	1,117,149,600	206,732,500	62,264,300	1,051,651,000	6,084,050	72,295,300	1,397,075,200
" 18...	1,126,677,700	229,027,200	66,155,400	1,098,188,500	22,635,475	70,910,400	1,770,084,300
" 25...	1,135,569,700	250,242,700	68,613,800	1,127,168,000	37,064,500	70,053,300	1,548,455,900
Feb. 1...	1,133,786,100	258,139,600	67,012,500	1,138,501,500	40,526,725	69,263,700	1,340,131,400

* Deficit.

Deposits and Surplus Reserve on or About the First of Each Month.

Month.	1906.		1907.		1908.	
	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.
January	$977,651,300	$4,292,575	$981,301,100	$5,369,225	$1,050,925,400	*$20,170,350
February	1,061,403,100	11,127,625	1,076,720,000	12,634,100	1,138,501,500	40,526,725
March	1,029,545,000	5,008,755	1,038,431,800	3,857,650	....	....
April	1,004,290,500	5,131,270	1,019,817,300	13,131,275	....	....
May	1,028,683,200	10,367,400	1,106,183,300	12,346,775	....	....
June	1,036,751,100	6,816,025	1,128,194,600	12,782,450	....	....
July	1,049,617,000	12,055,750	1,092,031,700	2,509,275	....	....
August	1,060,116,900	18,892,475	1,099,302,400	7,473,200	....	....
September	1,042,057,200	2,869,400	1,046,655,800	8,756,450	....	....
October	1,034,059,000	12,540,350	1,055,193,700	5,646,575	....	....
November	1,015,824,100	3,049,775	1,051,786,900	*38,838,825	....	....
December	998,634,700	1,449,125	1,083,283,300	*52,989,425	....	....

Deposits reached the highest amount, $1,224,206,600, on September 17, 1904; loans, $1,146,168,700 on August 5, 1905, and the surplus reserve $111,623,000 on Feb. 3, 1894. * Deficit.

Non-Member Banks—New York Clearing-House.

Dates.	Loans and Investments.	Deposits.	Specie.	Legal tender and bank notes.	Deposit with Clearing-House agents.	Deposit in other N. Y. banks.	Surplus Reserve.
Sept. 28	$114,006,400	$119,298,300	$5,120,300	$6,541,400	$10,890,600	$4,536,000	* $2,736,275
Oct. 5	114,765,900	120,925,800	5,219,300	6,371,200	12,596,500	4,504,200	* 1,540,250
" 12	114,766,800	121,221,100	5,317,300	6,776,000	12,521,300	4,191,100	* 1,499,575
" 19	110,776,700	115,632,900	4,813,000	6,450,100	11,032,800	4,262,200	* 2,350,125
" 26	96,375,800	96,321,500	4,043,700	5,410,500	9,887,300	2,857,800	* 1,880,575

* Deficit.

Boston Banks.

Dates.	Loans.	Deposits.	Specie.	Legal Tenders.	Circulation.	Clearings.
Dec. 28	$190,056,000	$210,022,000	$17,187,000	$3,268,000	$10,587,000	$98,333,200
Jan. 4	191,092,000	218,911,000	18,235,000	3,665,000	10,806,000	146,852,400
" 11	188,854,000	216,267,000	19,762,000	3,979,000	10,841,000	144,558,400
" 18	188,581,000	216,011,000	21,655,000	3,422,000	10,778,000	176,542,800
" 25	188,066,000	210,320,000	22,438,000	3,428,000	10,777,000	149,881,200

Philadelphia Banks.

Dates.	Loans.	Deposits.	Lawful Money Reserve.	Circulation.	Clearings.
Dec. 28	$225,122,000	$231,112,000	$43,301,000	$18,015,000	$95,681,600
Jan. 4	224,562,000	235,305,000	45,734,000	17,987,000	117,181,500
" 11	223,142,000	233,865,000	46,514,000	18,111,000	116,322,900
" 18	222,920,000	235,469,000	48,146,000	18,054,000	127,793,400
" 25	221,389,000	234,083,000	50,032,000	18,049,000	113,718,200

per cent. a month ago. The open market rate at Paris was 2⅞ per cent., against 4@4¼ per cent. a month ago, and at Berlin and Frankfort 4½@4⅝ per cent., against 6⅞ per cent. a month ago.

SILVER.—The price of silver in London advanced sharply early in the month to 26¾d., but subsequently became weaker and closed at 25½d. on January 31. The net gain for the month is ⅝d.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	Dec. 1, 1907.		*Jan. 1, 1908.*		*Feb. 1, 1907.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England	£32,244,973	....	£30,745,846	....	£38,508,150	....
France	108,013,931	£37,283,543	107,637,853	£36,977,204	107,457,009	£36,358,751
Germany	28,739,000	7,965,000	27,986,000	7,756,000	29,647,000	12,287,000
Russia	125,265,000	5,112,000	120,504,000	5,376,000	115,724,000	5,591,000
Austria-Hungary	45,689,000	11,607,000	45,759,000	11,675,000	46,183,000	12,260,000
Spain	15,615,000	25,655,000	15,649,000	25,758,000	15,680,000	25,894,000
Italy	38,146,000	4,759,600	38,664,000	4,773,800	36,561,000	4,700,000
Netherlands	7,644,100	4,979,100	7,648,300	4,780,800	7,664,000	4,331,500
Nat. Belgium	3,422,000	1,711,000	3,589,333	1,794,667	3,687,333	1,843,667
Sweden	4,071,000	....	3,910,000	....	3,907,000	....
Totals	£408,850,004	£99,072,243	£402,093,332	£98,891,471	£405,018,492	£103,265,918

RATES FOR STERLING AT CLOSE OF EACH WEEK.

WEEK ENDED.	BANKERS' STERLING.		*Cable transfers.*	*Prime commercial. Long.*	*Documentary Sterling, 60 days.*
	60 days.	*Sight.*			
Jan. 4	4.8050 @ 4.8075	4.8520 @ 4.8530	4.8605 @ 4.8615	4.80 @ 4.80¼	4.79 @ 4.80½
" 11	4.8140 @ 4.8150	4.8550 @ 4.8560	4.8600 @ 4.8610	4.80¾ @ 4.81	4.79¾ @ 4.80¾
" 18	4.8250 @ 4.8260	4.8640 @ 4.8650	4.8700 @ 4.8710	4.82⅛ @ 4.82¼	4.81 @ 4.82¼
" 25	4.8390 @ 4.8400	4.8710 @ 4.8720	4.8755 @ 4.8765	4.83⅜ @ 4.83½	4.82½ @ 4.83½
Feb. 1	4.8390 @ 4.8400	4.8695 @ 4.8705	4.8735 @ 4.8745	4.83¼ @ 4.83⅜	4.82¾ @ 4.83½

FOREIGN EXCHANGE—ACTUAL RATES ON OR ABOUT THE FIRST OF EACH MONTH.

	Oct. 1.	*Nov. 1.*	*Dec. 1.*	*Jan. 1.*	*Feb. 1.*
Sterling Bankers—60 days	4.81¾– ⅞	4.79 – ¼	4.81 – ¼	4.79 – ¼	4.83⅞– 84
" " Sight	4.85⅝– ⅝	4.84½– ¾	4.86¼– ⅜	4.84⅛– ¼	4.86⅞– 87
" " Cables	4.86⅛– ¼	4.86⅛– ⅝	4.87⅞–88	4.85⅝– ½	4.87⅝– ½
" Commercial long	4.81¾– 2	4.76¾– 7¼	4.79½–80	4.77¾–79¼	4.83¼– ⅜
" Docu'tary for paym't	4.81¼– 2¼	4.77 –79	4.78 –81	4.77⅛–79¼	4.82¾– 3⅛
Paris—Cable transfers	5.16⅞–	5.17½–16⅞	5.16⅞– ¼	5.18⅛–17½	5.16¼–15⅝
" Bankers' 60 days	5.21¼–20⅝	5.23⅛–22½	5.21⅞– ¼	5.23⅛–22½	5.19⅝–18¾
" Bankers' sight	5.17½–	5.20 –19⅜	5.18⅛–17½	5.19⅜–18¾	5.16¼–
Swiss—Bankers' sight	5.17½–	5.21¼–20⅝	5.19⅜–18¾	5.20⅝–20	5.17½–16⅞
Berlin—Bankers' 60 days	94⅛– ¼	93¼– ¾	93⅝– ¾	93⅝– ¾	94⅜– ½
" Bankers' sight	94⅞–	94¼– ½	94⅝– ¾	94½– ⅝	95 1/16– ⅛
Amsterdam—Bankers' sight	40 3/16– ¼	40 1/16– ⅜	40 1/16– ⅛	39 15/16–40	40 3/16– ⅜
Kronors—Bankers' sight	26 11/16– 13/16	26½– ⅝	26½– ⅝	26½– ⅝	26⅝– ¾
Italian lire—sight	5.15⅝–	5.16⅞– ¼	5.18⅛–17½	5.18¾–20½	5.16¼–

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	Oct. 31, 1907.	*Nov. 30, 1907.*	*Dec. 31, 1907.*	*Jan. 31, 1908.*
Circulation	£29,346,000	£27,909,000	£29,520,000	£28,026,000
Public deposits	7,286,000	7,713,000	7,552,000	8,884,000
Other deposits	44,853,000	43,009,000	52,657,000	42,099,000
Government securities	14,336,000	14,332,000	15,832,000	14,332,000
Other securities	34,841,000	32,704,000	40,802,000	25,836,000
Reserve of notes and coin	20,834,000	21,785,000	21,473,000	28,932,000
Coin and bullion	31,727,252	32,244,973	32,543,665	38,508,150
Reserve to liabilities	39.91%	42.83%	35.62%	56.68%
Bank rate of discount	5½%	7%	7%	4%
Price of Consols (2½ per cents.)	82 3/16	82⅝	83⅛	86⅛
Price of silver per ounce	27 9/16	26⅝d.	24⅞d.	25½d.

Monthly Range of Silver in London—1906, 1907, 1908.

Month.	1906. High	1906. Low.	1907. High	1907. Low.	1908. High	1908. Low.	Month.	1906. High	1906. Low.	1907. High	1907. Low.	1908. High	1908. Low
January	30 1/4	29 11/16	32 7/16	31 1/4	26 3/4	25 1/8	July	30 7/16	29 13/16	31 15/16	31		
February	30 13/16	30 1/8	32 1/8	31 1/2			August	30 13/16	29 7/8	32 3/16	31 1/8		
March	30 7/16	29	32 1/16	30 5/8			September	31 3/4	30 13/16	31 9/16	31 1/8		
April	30 9/16	29 5/8	30 1/2	30			October	32 9/16	31 11/16	30 7/8	27 7/16		
May	31 5/8	30 9/16	31 1/8	29 15/16			November	33 1/8	32	27 13/16	26 9/16		
June	31 1/16	29 5/8	31 1/16	30 5/8			December	32 5/16	31 9/16	26 11/16	24 3/16		

Foreign and Domestic Coin and Bullion—Quotations in New York.

	Bid.	Asked.		Bid.	Asked.
Sovereigns	$4.86	$4.90	Mexican doubloons	$15.50	$15.65
Bank of England notes	4.85	4.90	Mexican 20 pesos	19.50	19.65
Twenty francs	3.87	3.92	Ten guilders	3.96	4.00
Twenty marks	4.73	4.76	Mexican dollars	.44	.52
Twenty-five pesetas	4.78	4.82	Peruvian soles	.39	.44
Spanish doubloons	15.50	15.65	Chilian pesos	.39	.44

Bar silver in London on the first of this month was quoted at 25 1/8d. per ounce. New York market for commercial silver bars, 55 1/4 @ 56 3/4c. Fine silver (Government assay), 55 5/8 @ 56 7/8c. The official price was 55 1/4c.

National Bank Circulation.

	Oct. 31, 1907.	Nov. 30, 1907.	Dec. 31, 1907.	Jan. 31, 1908.
Total amount outstanding	$609,980,466	$656,218,196	$690,130,895	$695,402,762
Circulation based on U. S. bonds	562,727,614	610,156,008	643,459,899	641,919,664
Circulation secured by lawful money	47,252,852	46,062,188	46,670,996	53,483,098
U. S. bonds to secure circulation:				
Four per cents. of 1925	10,732,900	16,995,650	18,181,600	17,308,600
Three per cents. of 1908-1918	6,473,080	11,347,480	12,211,680	12,004,720
Two per cents. of 1930	532,543,550	560,574,800	568,926,410	567,561,700
Panama Canal 2 per cents	17,245,380	19,567,880	32,518,810	34,517,300
Certificates of Indebtedness 3 per cent	....	9,908,500	14,944,500	15,436,500
Total	$566,994,910	$618,394,310	$646,783,000	$646,828,820

The National Banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1925, $5,430,100; 3 per cents. of 1908-1918, $5,539,500; 2 per cents. of 1930, $36,908,750; Panama Canal 2 per cents. $19,191,240; District of Columbia 3.65's, 1924, $1,324,000; Hawaiian Islands bonds, $1,992,000; Philippine loan, $9,038,000; state, city and railroad bonds, $198,540,425; Porto Rico, $730,000; certificates of indebtedness 3 per cent., $———; a total of $278,694,015.

United States Treasury Receipts and Expenditures.

Receipts.

Source.	January, 1908.	Since July 1, 1907.
Customs	$23,271,606	$179,240,993
Internal revenue	19,744,889	152,145,649
Miscellaneous	6,418,788	35,461,269
Total	$49,495,282	$366,847,911
Excess of receipts	*$9,382,375	*$18,685,680

*Excess of expenditures.

Expenditures.

Source.	January, 1908.	Since July 1, 1907
Civil and mis.	$15,426,279	$96,132,821
War	8,831,549	64,319,713
Navy	9,030,603	67,664,811
Indians	509,526	8,300,486
Pensions	12,385,305	87,795,395
Public works	9,343,557	57,377,008
Interest	3,290,837	13,943,357
Total	$58,817,657	$385,533,591

National Bank Circulation.—There was an increase in the amount of bank notes outstanding in January of $5,271,000 but a decrease in notes secured by Government bonds of $1,500,000. The banks are beginning to retire their circulation, more thann $9,000,000 of lawful money being deposited for this purpose in January. The amount of bonds deposited to secure circulation is about the same as that of a month ago. The securities deposited to secure public deposits were reduced $17,000,000.

Government Revenues and Disbursments.—The receipts of the Government continue to run behind the expenditures, the deficit in January amounting to $9,382,375. This makes a deficit of $18,685,000 for the first seven months of the current fiscal year as compared with a surplus of $32,461,000 for the corresponding period of last year. The receipts since July 1

United States Public Debt.

	Nov. 1, 1907.	Dec. 1, 1907.	Jan. 1, 1908.	Feb. 1, 1908.
Interest-bearing debt:				
Consols of 1930, 2 per cent	$646,250,150	$646,250,150	$645,250,150	$646,250,150
Loan of 1925, 4 per cent	118,489,900	118,489,900	118,489,900	118,489,900
Loan of 1908-1918, 3 per cent	63,945,460	63,945,460	63,945,460	63,945,460
Panama Canal Loan of 1916, 2 per cent	30,000,000	30,000,000	54,088,040	54,631,980
Certificates of Indebtedness 1908		10,917,500	15,436,500	15,436,500
Total interest-bearing debt	$858,685,510	$869,603,010	$898,210,050	$898,753,990
Debt on which interest has ceased	6,930,955	6,228,015	5,580,385	5,107,205
Debt bearing no interest:				
Legal tender and old demand notes	346,734,298	346,734,298	346,734,298	346,734,298
National bank note redemption acct	47,239,336	45,601,979	46,162,653	51,597,010
Fractional currency	6,863,549	6,863,349	6,863,434	6,863,434
Total non-interest bearing debt	$400,837,184	$399,199,827	$399,760,386	$405,194,742
Total interest and non-interest debt	1,266,453,649	1,275,030,852	1,303,550,821	1,309,055,938
Certificates and notes offset by cash in the Treasury:				
Gold certificates	748,637,869	747,218,869	767,905,869	810,215,869
Silver certificates	471,527,000	471,687,000	471,416,000	464,704,000
Treasury notes of 1890	5,613,000	5,546,000	5,479,000	5,400,000
Total certificates and notes	$1,225,777,869	$1,224,451,869	$1,243,900,869	$1,280,319,869
Aggregate debt	2,492,231,518	2,499,482,721	2,547,451,690	2,589,375,807
Cash in the Treasury:				
Total cash assets	1,728,283,122	1,730,059,038	1,779,680,663	1,814,600,028
Demand liabilities	1,341,056,103	1,329,508,024	1,360,160,672	1,398,182,727
Balance	$387,227,019	$400,551,013	$419,519,990	$416,417,301
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	237,227,019	250,551,013	269,519,990	266,417,301
Total	$387,227,019	$400,551,013	$419,519,990	$416,417,301
Total debt, less cash in the Treasury	879,226,630	874,479,839	884,030,831	892,638,637

are $17,000,000 less than in 1907 while expenditures increased $34,000,000.

United States Public Debt.—The aggregate debt of the United States increased $42,000,000 in January, of which $36,000,000 was in certificates and nearly $5,500,000 in national bank-note redemption account. The total cash assets increased $35,000,000 while the net cash balance was reduced $3,000,000. The debt less cash in the Treasury increased $8,600,000 and on January 31 amounted to $892,638,000. In two months the net debt has increased $18,000,000.

Foreign Trade.—The record of exports of merchandise in December, 1907, was a maximum one, reaching $207,000,000, while December imports were only $92,000,000, the smallest for December in the last six years excepting 1903. The net balance of exports was nearly $115,000,000, which is a high record for any month. The calendar year 1907 gives the largest totals for both exports and imports, the former

Exports and Imports of the United States.

Month of December.	Merchandise. Exports.	Merchandise. Imports.	Merchandise. Balance.	Gold Balance.	Silver Balance.
1902	$147,992,403	$94,356,987	Exp., $53,635,416	Exp., $666,476	Exp., $2,845,589
1903	174,819,566	77,768,634	" 97,050,932	Imp., 15,765,642	" 4,436,998
1904	145,253,259	96,566,759	" 48,686,500	Exp., 10,166,643	" 1,861,706
1905	199,738,520	101,142,799	" 98,595,721	Imp., 1,360,349	" 3,503,408
1906	190,399,977	134,349,760	" 56,050,217	" 5,736,342	" 3,405,636
1907	207,179,436	92,288,771	" 114,890,665	" 43,444,068	" 92,033
Twelve Months.					
1902	1,360,685,933	969,316,870	Exp., 391,369,063	Imp., 8,162,726	Exp., 22,870,019
1903	1,484,753,083	995,494,327	" 489,258,756	" 20,920,862	" 16,635,834
1904	1,451,318,740	1,035,909,190	" 415,409,550	Exp., 36,408,598	" 24,048,208
1905	1,626,990,795	1,179,144,550	" 447,846,245	Imp., 3,498,938	" 21,573,967
1906	1,798,243,434	1,320,501,572	" 477,741,862	" 108,870,222	" 16,729,250
1907	1,923,498,434	1,423,326,680	" 500,171,754	" 88,182,385	" 15,618,877

exceeding $1,923,000,000 and the latter $1,423,000,000, giving a net balance of $500,000,000. Gold imports, net, exceeded $88,000,000, of which $49,000,000 were in the last two months. Net silver imports were less than $16,000,000, the smallest in a number of years.

MONEY IN CIRCULATION IN THE UNITED STATES.—The Treasury estimates of money in circulation show an increase in January of $15,000,000. There were $63,000,000 of gold certificates issued while every other kind of money decreased. Gold coin decreased $7,000,000, silver dollars $2,000,000, fractional silver $4,000,000, silver certificates $14,000,000, United States notes $6,000,000 and national bank notes $14,000,000.

MONEY IN THE UNITED STATES TREASURY.—The total money in the United States Treasury increased $64,000,000 in January but certificates outstanding increased $48,000,000, making the net balance show an increase of $16,000,000. The Treasury lost $32,000,000 in gold, the net gold balance on February 1 being $217,000,000.

SUPPLY OF MONEY IN THE UNITED STATES.—The gold supply was increased $24,000,000 in January. This, with an increase of $5,000,000 in national bank notes and $2,000,000 in fractional silver coin, made the total supply on February 1 $31,000,000 more than it was a month ago.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Nov. 1, 1907.	*Dec. 1, 1907.*	*Jan. 1, 1908.*	*Feb. 1, 1908.*
Gold coin	$574,459,086	$640,577,952	$648,573,173	$641,496,096
Silver dollars	88,822,959	90,979,549	91,812,428	89,557,092
Subsidiary silver	127,461,229	132,979,612	134,980,859	130,701,055
Gold certificates	677,295,909	675,636,209	706,612,349	769,629,859
Silver certificates	464,349,568	468,953,120	467,731,847	453,413,640
Treasury notes, Act July 14, 1890	5,601,926	5,537,067	5,469,058	5,392,484
United States notes	343,254,153	344,682,957	345,275,422	339,171,655
National bank notes	595,123,866	648,895,117	679,034,664	665,001,318
Total	$2,876,368,696	$3,008,241,588	$3,078,989,298	$3,094,362,699
Population of United States	86,547,000	86,666,000	86,784,000	86,903,000
Circulation per capita	$33.23	$34.71	$35.48	$35.61

MONEY IN THE UNITED STATES TREASURY.

	Nov. 1, 1907.	*Dec. 1, 1907.*	*Jan. 1, 1908.*	*Feb. 1, 1908.*
Gold coin and bullion	$915,283,759	$921,136,767	$955,957,320	$987,104,459
Silver dollars	479,427,023	477,270,433	476,937,554	478,692,890
Subsidiary silver	6,661,373	3,221,533	4,650,135	10,816,738
United States notes	3,426,363	1,968,059	1,405,594	7,509,361
National bank notes	14,856,600	7,323,079	11,096,231	30,401,444
Total	$1,419,655,618	$1,410,949,871	$1,450,046,834	$1,514,524,892
Certificates and Treasury notes, 1890, outstanding	1,147,247,403	1,150,126,396	1,179,812,752	1,228,435,483
Net cash in Treasury	$272,408,215	$260,823,475	$270,234,082	$286,089,409

SUPPLY OF MONEY IN THE UNITED STATES.

	Nov. 1, 1907.	*Dec. 1, 1907.*	*Jan. 1, 1908.*	*Feb. 1, 1908.*
Gold coin and bullion	$1,489,742,845	$1,561,714,719	$1,604,530,493	$1,628,600,555
Silver dollars	568,249,982	568,249,982	568,249,982	568,249,982
Subsidiary silver	134,122,602	136,201,145	139,630,994	141,517,793
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	609,980,466	656,218,196	690,130,895	695,402,762
Total	$3,148,776,911	$3,269,065,058	$3,349,223,380	$3,380,452,108

BANKING AND FINANCIAL NOTES

NEW YORK CITY.

—Returns from the annual bank meetings held all over the country last month, show very few radical changes in the official boards, and in a majority of the elections, the entire corps of officers were retained.

—J. M. Bowers and Anthony N. Brady, directors of the Corn Exchange Bank have retired, thereby reducing the number of directors from 18 to 16.

—Jeremiah V. Meserole has been elected president of the Williamsburg Savings Bank for the eighteenth time. During his seventeen years of service he has seen his institution become one of the greatest savings banks in New York State with a surplus fund of many millions of dollars.

—This city is to have in the near future a new trust company with a capital and surplus of $3,600,000.
J. N. Huston, former United States Treasurer, J. A. Hilton and John Lawrence are the organizers and they propose to incorporate as soon as $500,000 is paid in.

—William A. Nash, president of the Corn Exchange Bank and member of the Clearing House Committee, was presented with a silver loving cup upon the twenty-fifth anniversary of his presidency, January 23. He was also elected a trustee in place of John D. Hicks, deceased.

—After fifty-six years of faithful service for the National Butchers and Drovers Bank, A. G. Tucker, assistant-cashier, has retired. When Mr. Tucker entered the employ of the bank not one of the present depositors accounts was on the books.

—Directors of the Lincoln Trust Company have voted to issue 5000 additional shares at a par value of $100 each, thus increasing the capital stock from $1,000,000 to $1,500,000.

—Howard Bayne has become a vice-president of the Columbia Trust Co.

—At the annual meeting of the stockholders of the European-American Bank, whose deposits have risen from $67,496 to $406,301 in four months. George E. De Camp, president of the Caldwell National Bank, Caldwell, N. J., was elected to succeed Charles S. Boyd. Erwin R. Graves, president of the First National Bank, of Belleville, N. J., and George W. Loft, of this city, were elected vice-presidents, Charles S. Boyd retiring.

—The Seaboard National Bank celebrated recently the twenty-fifth anniversary of its organization. The bank was established in January, 1883. It was chartered as a state bank by A. Barton Hepburn, then State Superintendent of Banks of New York. Two years later it was converted into a national bank. The bank has accumulated deposits of over $27,000,000, and has shown total profits since its organization of $2,833,083.

—At the directors' meeting of the Trust Company of America, held January 22, the resignation of Vice-President Philip S. Babcock, which had been in the hands of President Thorne for some days, was accepted. No one was elected to fill the vacancy, and it is understood that the company will, at least for the present, have one vice-president less.

—At the annual meeting of the New Netherland Bank of New York, Dr. Elgin R. L. Gould resigned the presidency of that institution, and Vice-President J. Adams Brown was elected to succeed him. Dr. Gould retains his connection with the bank and will continue to be a member of the Board of Directors. Mr. Brown, the new president, came from Boston last year to take the presidency of the New Netherland Bank and has been very successful in his new field. The bank is in a prosperous condition, having held its own during the late panic and is now increasing its business steadily. The recent statement of the bank shows capital of $200,000, surplus and profits of $209,333.52, and total resources of $1,645,667.44.

—Edwin Gould has again obtained the chief interest in the Mercantile National Bank, through the failure of F. Augustus Heinze to take over the stock which he had deposited with Mr. Gould.

—The directors of the National Bank of Commerce at a recent meeting elected Neil-

son Olcott cashier, to take the place of William C. Duvall, who resigned because of ill-health. Mr. Olcott has a host of friends in the financial district, who regard this advancement as just recognition of faithful services.

—From Vienna comes the following item of interest to our readers: It is understood that the Croatian Savings Bank at Agram is contemplating the establishment of branches in New York, Chicago and Allegheny, where it is anticipated it will find a profitable business among the Croatian immigrants. It is estimated that the Croatians in the United States transmitted to their former homes more than $16,000,000 in 1907.

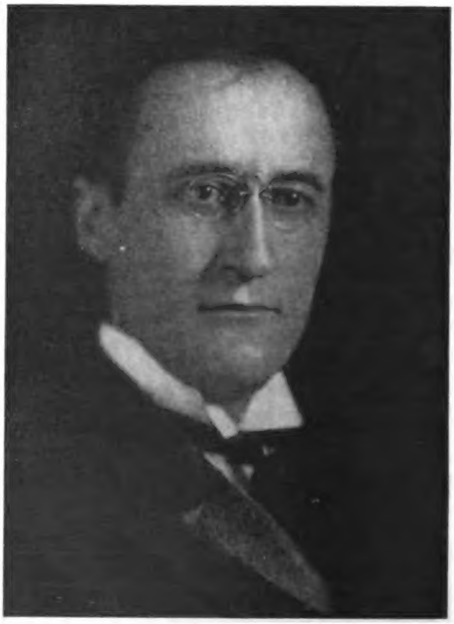
—William E. Young, who for five years was connected with the firm of E. R. Chapman & Co., has become manager of the banking and brokerage house of C. Schumacher & Co., No. 50 Exchange place.

—On January 20, the Hamilton Bank reopened and according to President Grant the first day's business was an auspicious one for the bank. During that day there was a steady stream of depositors, very few large withdrawals being made. Martin McHale has been elected vice-president of the bank and will be in charge of the real estate loans department.

—Over 500 bankers with their guests, comprising group eight of the New York State Bankers' Association, held their annual banquet January 27, at the Waldorf-Astoria, and spent the evening in serious consideration of the statements made by the various speakers.

Toastmaster Alexander Gilbert in his introductory speech, defined clearly some of the causes of the recent panic and also the difference between Wall Street and Stock Exchange speculators. Other notable addresses were made by President Butler, of Columbia College; Rev. Charles F. Aked, and David R. Forgan, president of the National City Bank of Chicago.

Seated at the guest table were: J. Pierpont Morgan, George F. Baker, Patrick F. Murphy, Nicholas Murray Butler, LL.D. Ph.D., Alexander Gilbert, Chairman, Rev. Charles F. Aked, D.D., William A. Nash, David R. Forgan, Edward Townsend, Hon. Charles H. Treat, J. Edward Simmons, Sir Casper Purdon Clarke, Richard Delafield, Hon. Clark Williams, Valentine P. Snyder, Hon. Herman A. Metz, Col. J. D. Powers, Charles Elliott Warren, William Sherer, John T. P. Knight, Hon. Hamilton Fish, Hon. William B. Ridgely, Major General Frederick Dent Grant, U. S. A., Dumont Clarke.



S. S. CAMPBELL,
President Night and Day Bank.

—At a recent meeting of the directors of the Night and Day Bank, S. S. Campbell was elected president, to take the place of A. D. Bennett, who resigned.

Mr. Campbell has been vice-president of the United States Mortgage and Trust Company since April 1906.

He was born in New Brunswick, N. J., and received his early education there. While quite a young man he entered a railway office, but soon sought employment in New York and succeeded in entering the Fifth Avenue Bank as a messenger.

By diligent and persistent effort his services became more and more valuable to his employers and he advanced from one position to another.

FREDERICK PHILLIPS,
Vice-President Night and Day Bank.

In 1896 Mr. Campbell became assistant cashier of the Merchants National Bank, and in 1904, when the cashier resigned because of ill-health, he was elected to that office which he has since filled most capably.

Frederick Phillips, the new vice-president of the Night and Day Bank, is well and favorably known as secretary of the Lincoln Trust Company, and is the sort of man needed for the responsible position which he is to fill. Under the wise management of its new officers, the Night and Day Bank is expected to establish a record during the present year.

—Out of the reports of fifty trust companies made December 19 to the State Banking Department, the one submitted by the Fidelity Trust Company alone shows an increase of deposits, as compared with statement of Aug. 22.

The Fidelity's deposits increased $23,000 in that time and this statement is all the more remarkable when it is remembered that the company is not yet a year old.

—Action has been taken by the Clearing House Association providing for the admission of trust companies as associate members with all privileges of full-membership. But it is doubtful at present whether the trust companies will avail themselves of the invitation until after the action of the Legislature on some proposed amendments. The resolution adopted is as follows:

Section 28. Trust companies organized under the laws of the State of New York may be admitted as members of this association in the same manner and to the same extent as banks may be admitted, and when so admitted shall be entitled to all the rights and benefits and subject to all the conditions and obligations to which bank members are or shall be entitled or subject under the provisions of the Constitution. Trust companies, however, becoming members of the association shall be required to keep a cash reserve in their own vaults of not less than 25 per centum of their deposits. A failure to keep such reserve shall be sufficient ground for action under section 20 of the Constitution.

—Dates have been announced for some of the state bankers' conventions, which come very early this year. The bankers of Mississippi meet at Brookhaven on May 13 and 14; those of California at Pasadena, May 14, 15 and 16; those of Missouri, May 20 and 21, at Joplin.

The Minnesota state bankers' convention will meet at Duluth, July 23. and 24. The New York bankers' convention will probably be held in July, but the place and date have not yet been fixed.

—Representatives of forty of the sixty-six trust companies forming the Trust Companies' Association of the State of New York met in the National Park Bank recently, and after listening to a letter of regret from Clark Williams, State Superintendent of Banking, who was unable to attend, and discussing trust company matters, elected the following officers for the ensuing year:

President, Grange Sard, president Union Trust Company, Albany; vice-presidents, John I. Waterbury, president Manhattan Trust Company, New York; Theodore F. Miller, president Brooklyn Trust Company, Brooklyn; James S. Sherman, president Utica Trust and Deposit Company, Utica; treasurer, Clinton L. Rossiter, vice-president Long Island Loan and Trust Company, Brooklyn; secretary, Philip S. Babcock.

—Cards have been sent to their customers by E. B. Smith & Co., bankers, formally announcing the retirement of John S. Jenks, Jr., from the firm, and stating that Osborn W. Bright and Charles F. Bloomer have been admitted to membership and will be located at the firm's New York offices.

—Eighty-five trust companies reporting to the State Superintendent of Banks on Jan. 1 show a total of $89,175,391 on deposit subject to check. This is an increase of $11,260,000 as compared with a report made Dec. 19, 1907.

The total deposits of the trust companies had increased during the last two weeks of 1907 from $716,468,616 to $732,278,360. The amount of preferred deposits Dec. 19

was $26,423,728 as compared with $28,340,454 of the first day of 1908.

—Hugo Baring has resigned from the board of trustees of the Equitable Trust Co., in consequence of his departure for Europe and no one as yet has been elected to succeed him.

No action has been taken to fill other vacancies on the board owing to the proposed merger with the Mercantile Trust Co.

—Charles E. Sprague, president of the Union Dime Savings Institute, began a course of lectures on the "Philosophy of Accounts" at the School of Commerce, Accounts and Finance of New York University, on Monday evening, Feb. 3, at the Washington square building. Prof. Sprague will deal in his lecture with the following topics:

The constant equation of accounts; the balance sheet or account of results; various forms and phases of the balance sheet illustrated and discussed; the ledger; the trial balance; specific and economic accounts, with the result of each, showing the same status; mixed accounts and their disentanglement; sources of the ledger, posting mediums; evolution of the journal; direct posting, and columnar posting mediums; annulling or offsetting accounts; reserves; general theories of debit and credit, such as the quantitative or mathematical and the relational or personalistic; reconciliation of conflicting theories by extension of terms; and the utilization of various standpoints for argument and explanation.

—"Financial Soundness of Great Railroads," is the title of an attractive and comprehensive booklet that has been prepared by N. W. Halsey and Co., bankers.

The extent to which financial soundness of railroads depends upon the growth of population and resources, the application of improvement funds, and the efficiency of management, are treated in a lucid and interesting way.

Coming from a financial house, such a booklet is unusual, but so well has the subject been treated that clients and friends of the firm, who are fortunate enough to receive one, are loud in its praise.

—Thomas B. Nichols has been appointed assistant cashier of the Produce Exchange National Bank.

—"Results show" might be truthfully stated by the Commercial Trust Company, which has enjoyed a most prosperous year. In their condensed statement, at the close of business January 29, they show total resources of $4,084,696.03, deposits of $2,998,669.03, and surplus and undivided profits of $288,411.65.

—Plans have been filed for remodeling the three-story building of the Liberty National Bank, of which Frederick B. Schenck is president, at 139 Broadway and connecting it with the Temple street L of the Washington Life office building at the corner of Broadway and Liberty street. A covered passageway will be made through the light court and the ground floor and basement of the L partitioned off to give enlarged space for the banking offices.

—George A. Hurty has been admitted to partnership in the firm of Henry Clews & Co. Mr. Hurty, who has been manager of the Madison Square branch for some time, has been associated with the firm for seventeen years.

—The Mercantile National Bank, Seth M. Milliken, President, in its statement of February 4 shows cash holdings of $1,395,968.50; loans and discounts, $6,992,758.84; United States bonds, $1,009,125; bonds to secure United States deposits, $959,357.50; real estate and security holdings, $1,018,800; due from banks, $341,581.72, and exchanges for clearing-house, $286,689.24.

The liabilities include the $3,000,000 capital; surplus and undivided profits, $2,407,336.31; banknote circulation, $975,000; deposits, $5,285,044.38, and bond account, $337,000.

The Mercantile National is considered to be in better condition at the present time than at any time since it so successfully weathered the October money crisis.

—Having been restored to solvency, the First National Bank of Brooklyn, which suspended at the time of the recent crisis, was on February 4, authorized by the Comptroller of the Currency to resume business.

NEW ENGLAND STATES.

—The Economic Club, of Boston, enjoyed a smoketalk on currency and banking, January 7, when addresses were made by Francis B. Sears, vice-president of the Shawmut National Bank, and other interesting speakers.

—Plans are being completed for the construction of a handsome new building, which, next summer, will be the home of the Old Colony Trust Company of Boston. Two old buildings owned by the bank will be torn down to make way for the new structure, which will be used solely by the Old Colony people.

—Sixty thousand dollars was the tidy sum deposited with the Worcester (Mass.) County Institution for Savings on the last day of the year 1907, and this amount is significant in showing the now certain return of confidence.

—Enormous steel vaults have been installed by the Manchester (N. H.) National Bank, which are of the most approved type now made, and will weigh about 120 tons.

—A new year's gift of $3,000 was made to depositors of the City Savings Bank of Pittsfield, Mass., through the action of the trustees, who recently increased the interest rate to 4 per cent., dating from January 1, 1907.

—A handsome building, of the Ionic style of architecture, is to be erected in Brockton, Mass. by the People's Savings Bank. Columns of fluted limestone will adorn the front of the structure, which is to be two full stories in height. The interior of the bank, in contrast with the exterior, will be thoroughly modern and will contain all the appointments necessary for the convenience of customers.

—All Clearing House certificates, issued since October 28, 1907, have been redeemed and cancelled by the Boston associated banks. The maximum issue, during the period of eighty-eight days when they were in use, was $12,595,000 as contrasted with the maximum amount of $11,445,000 issued August 29, 1903.

—Col. Samuel Pomeroy Colt, on account of illness, declined re-election to the presidency of the Industrial Trust Company, of Providence, R. I. At the annual meeting of the stockholders, January 21, Cyrus P. Brown was chosen to succeed him.

—Justice Sweetland, in the Superior Court, has appointed John P. Hilton, treasurer of the New England Trust Company, of Providence, R. I., as temporary receiver of that institution. No statement was given out by the trust company as to the cause of the difficulty.

FREDERICK W. HALL,

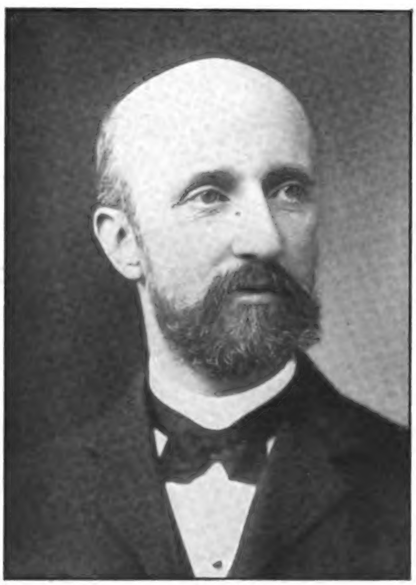
Cashier Pequonnock National Bank of Bridgeport, Conn.

—Frederick W. Hall has been made cashier and director of the Pequonnock National Bank, of Bridgeport, Conn., to fill the vacancy left by Isaac B. Prindle, resigned. Mr. Hall, who is also city treasurer of Bridgeport, has been in the employ of his bank for more than 27 years and is well qualified to fill his new office.

—The Produce National Bank, of Deerfield, Mass. which was completed last spring at a cost of $8,500, added much to the beauty and attractiveness of the village. The building is of concrete, two stories high. The bank was organized in the spring of 1906, capitalized at $50,000, and has been a success and the citizens of the town are justly proud of the institution and its new home.

—The Exchange Trust Company, of Boston, which is little more than three months old, has shown by its statement at a recent meeting that its affairs are in a very promising and prosperous condition. Its growth has been remarkable and gratifying to those interested. John J. Martin has been re-elected president. The other officers are: John C. Hatch, vice-president; George W. Tibbetts, secretary, and R. E. Fay, treasurer.

—At a special meeting of the stockholders of the First National Bank, of Clinton, Mass., Col. John E. Thayer, of Lancaster and Boston, was chosen president to succeed Judge C. C. Stone, deceased. Colonel Thayer is also president of the Clinton Savings Bank, a position which, under the present law, he will be compelled to resign.



HERBERT A. RHOADES,
President Dorchester Trust Co.

—On December 2 the Dorchester Trust Co. of Boston, moved into temporary quarters in the Columbia Square building, Upham's Corner, Dorchester. The permanent home of the company will be at 572 Columbia road, where a thoroughly modern banking office with safe deposit facilities is being prepared. This company, although a new one, is making very satisfactory progress. At the end of the first four weeks' business it had deposits of over $120,000. Its capital is $200,000. The officers of the Dorchester Trust Co. are: President, Herbert A. Rhoades; vice-president, Guy A. Ham; treasurer, Wilbur F. Beale, and actuary, Lawrence S. Bearse.

EASTERN STATES.

—On January 2, stockholders of the National Bank of Shamokin, Pa., received a gift in the form of a 4 per cent. dividend, payable quarterly, free of all taxes. Friends of the institution are congratulating the officers upon this evidence of its prosperity.

—A newly organized bank of Philadelphia, the American Bank, has purchased a building on the corner of Broad and Passyunk avenues, for a consideration of $35,000, and is negotiating for the property adjoining it.

—Architects are now engaged in preparing preliminary plans for a modern seven-story building to be erected in Connellsville, Pa., for the Second National Bank. President Kilpatrick has roughly outlined the building, which the architects say will be complete in every particular and absolutely fireproof.

—At a board meeting of the Citizens National Bank, of Baltimore, held January 15, the following officers were elected: President, Wm. H. O'Connell, succeeding Major John S. Gibbs; vice-president, David Ambach; vice-president and cashier, Albert D. Graham; assistant cashier, Frank M. Dushane. Major Gibbs, the former president, was elected chairman of the executive committee.

—The First National Bank, of Palmerton, Pa., opened for business last month in a new building equipped with a manganese steel safe and burglar proof vault. Its officers are: D. C. Straup, president; Thomas B. Craig, vice-president; Allen D. Craig, cashier.

—One of the most competent young bankers of Greater Pittsburg, C. F. Stevenson, has been appointed assistant secretary and assistant treasurer of the Guardian Trust Company of that city. He was formerly teller for the Fort Pitt National Bank.

—Five state bank examiners are to be assigned permanently to Philadelphia and they are to examine twice a year the 130 state banks and trust companies in that city. The remainder of the state has been divided into eight districts, with an average of forty-five institutions to an examiner. The Allegheny county district is to have four examiners and each of the others one.

—Fire, caused by a defective flue, almost destroyed the First National Bank's building at Amityville, L. I. on the afternoon of January 10. Officials of the bank succeeded in saving the cash, books and papers, but the furniture and fittings were considerably damaged. A new building is nearly completed for the bank.

—A most interesting and lucid statement is that of the Philadelphia Savings Fund Society for January 1, 1908. The principal features are a number of simply arranged tables, which show the results of the past year's work.

Table 1 shows the number and amount of deposits received and paid during the year.

Table 2 shows the occupation of depositors who opened accounts in 1907.

Table 3 shows the nativity of these depositors.

Table 4 shows the increase in the number of accounts and amount of deposits for the last thirty years.

Table 5 shows the average receipts and payments of deposits for the last thirty years.

Table 6 shows the amount of the contingent fund on the first day of January of each year for the last thirty years.

—The Pittsburg Association of Credit Men is a voluntary association of the leading wholesale, retail and commission merchants, manufacturers, bankers, mine operators and other business interests of Pittsburg, and has done much to promote business ethics and improved mercantile agency service.

The following banks hold certificates of membership: American National Bank, Bank of Pittsburg N. A., Columbia National Bank, Diamond National Bank, East End Savings & Trust Co., Farmers Deposit National Bank, Federal National Bank, Fidelity Title & Trust Co., First National Bank, German National Bank, Guarantee Title & Trust Co., Home Trust Co., Keystone National Bank, Mellon National Bank, Mercantile Trust Co., Monongahela National Bank, North American Savings Co., Peoples National Bank, Second National Bank, Treasury Trust Co., Union National Bank, Union Trust Co.

MIDDLE STATES.

—In a condensed review of the past year's business the National City Bank, of Chicago, presents some interesting statements. The bank began operations February 5, 1907, and at the close of the first day's business, its deposits totaled $2,198,337.25. April 5 they had increased to $3,645,246.72; July 5 they were $4,924,697; October 5 showed $5,402,507.92 deposits and December 5, $6,201,815.87.

—On January 17, Mrs. S. Jennie Sorg, widow of the late millionaire Congressman and tobacco manufacturer, Paul J. Sorg, was elected president of the Merchants' National Bank, of Middletown, Ohio. She succeeds Judge W. S. Dechant, who was until lately agent for the Sorg estate.

—Biesecker & Company of Minneapolis have purchased the Union Savings Bank of that city and will change the name to City National Bank. A. J. Wentzel will be cashier.

—One of the most attractive and well-arranged bank buildings recently completed is that now occupied by the Cleveland Trust Company at East 9th street and Euclid avenue. Standing in the central hall, one is directly beneath a large vaulted dome, surmounting the balconies, and in full view of all departments of the bank.

—John Fleharty, who has been with the National-Commercial Bank of Cleveland for a number of years, has been chosen to succeed Thomas Holmden as secretary and

treasurer of the Clark Avenue Savings Bank of that city. Mr. Holmden goes to the State Banking and Trust Company in the capacity of treasurer.

—The German-American Bank of Muscatine, Iowa, has erected a handsome building for its future home at a cost of $150,000, and is now doing business there.

—An unusual undertaking, that of remodeling the interior of a bank without interfering with its business, has been successfully accomplished by the First National of Sterling, Illinois. Large columns supporting the upper floor were taken out and heavy steel girders, running the length of the building were used to span the space and form the ceiling of the main room. The result gives more space, better light and a handsomely designed room.

—Rumors that the Rodney (Ia.) Savings Bank was financially embarrassed were dispelled when a complete change of officers and the taking over of practically all the stock by local people was announced. The new officers are: President, W. H. Edgar; vice-president, Jas. McDonald; cashier, W. M. McDonald; assistant cashier, R. E. Edgar. All are residents of Rodney. The capital stock is $10,000.

—As soon as the weather will permit, work will be begun on the new building for the First National Bank of Youngstown, O. A modest structure is planned, well adapted to the business of the institution which is to occupy it.

—The debating team of the Chicago Chapter of the American Institute of Banking met the representatives of the Indianapolis Chapter at Booth Hall, Northwestern University Building, Feb. 11, in a discussion of the question: "Resolved, That the government should establish and maintain a system of postal savings banks." The Chicago speakers, Benjamin B. Bellows, Martin F. Smith and D. G. Bellows, supported the affirmative side.

—At the annual stockholders' meeting of the First National Bank of Newton, Illinois, held last month, a semi-annual dividend of five per cent. was declared, the capital stock of $25,000 was increased to $50,000 and a fund of $8,000 was set aside for an additional working balance. These are interesting facts, for they show the policy of the bank's officials to be sound, safe and progressive. During the recent scarcity of currency, this institution did not materially change its methods of business, meeting all demands made of it, without resorting to scrip of any kind. E. W. Hersh is president; A. F. Calvin, vice-president; J. M. Hicks, cashier, and Roscoe C. Jack, assistant cashier.

—The First National Bank of Sault Ste. Marie, Michigan, has received word from the Secretary of the Treasury, George B. Cortelyou, that the bank had been duly designated as an active government depository. This means that an active deposit of any amount not above $75,000 may be made there. Hereafter this bank will handle all the customs revenue which formerly was sent to the customs office at Marquette.

—Charles Johnsen, who resigned his position as cashier of the Elkader (Ia.) State Bank, August last, accepting the vice-presidency of the Lake View Trust and Savings Bank of Chicago, was last month honored with the presidency of that institution. Mr. Johnsen was for thirteen years cashier of the State Bank and through his conservative management built up a large business,

the bank now being the foremost in the country.

—On the 15th of this month, the Franklin Bank of Louisville (Ky.) opened in that city with more than 5000 stockholders holding a capital stock of $100,000. J. S. Wood has been elected president; Louis B. Williamson and Dr. J. C. Willis, vice-presidents, and the cashier will be chosen later.

—Roy Stone, who has been connected with the First National Bank of Milwaukee for many years, has been appointed assistant cashier of the German-American Bank. Mr. Stone is the vice-president of the American Institute of Banking.

—George Peck, president of the Michigan Savings Bank of Detroit, has been reelected for the twenty-ninth consecutive time. He has been associated with this banking institution since it was founded in 1877, when he was elected president for the first time. Under his administration, the Michigan Savings Bank has become one of the best known financial institutions in the state.

—An elegantly appointed building has been constructed for the new Home Savings Bank of Davenport, Iowa, which opened there for business on January 2. The bank was thrown open to the public prior to its opening day, and many were the compliments passed upon the tastefully finished interior. Its officers are: President, P. Feddersen, Jr.; vice-president, P. F. McCarthy; cashier, J. F. Rochan.

—At the annual meeting of the Merchants'-Laclede National Bank of St. Louis, E. B. Clair-Avery was chosen to succeed R. T. Sturgeon as assistant cashier.

—Directors of the Illinois Trust and Savings Bank of Chicago, at their annual meeting held last month, elected H. A. Blair vice-president, to succeed W. H. Reid, and also added $1,000,000 undivided profits to the surplus making it $7,500,000.

—Bank deposits of the Farmers' National Bank, Springfield, Illinois, have been steadily increasing as the last reports show, and this excellent state of affairs is due to the fact that local banking houses there remained on a currency paying basis throughout the recent panic.

—The following address was made to the stockholders of the First National Bank of Chicago, by President James B. Forgan, at the recent annual meeting:

"Gentlemen: We respectfully present herewith the Forty-fourth Annual Statement of the First National Bank and the Fourth Annual Statement of the First Trust and Savings Bank. In view of the disturbed business conditions which have prevailed for the past two months it will be gratifying to the stockholders to learn that in the entire line of loans and discounts as given in the statements, aggregating $62,735,309.49 in the First National Bank and $15,923,677.59 in the First Trust and Savings Bank, there is not a single past due obligation nor a known bad or doubtful debt that has not been fully provided for.

"Our bond accounts, amounting to $7,150,935.88 in the First National Bank and to $10,695,263.78 in the First Trust and Savings Bank, have not proved profitable from an investment standpoint during the past year. Owing to existing financial conditions, a heavy depreciation has occurred in their market value, and the rates of interest prevailing for money have averaged much higher than those earned on the bonds. The losses in these accounts have, however, been met and have been fully provided for, so that, as has been our custom in the past, they are still carried on our books and are given in the statements at their market value. The government bonds owned by the First National Bank, amounting to $1,555,000, are carried as an asset at par.

"The only other item of importance appearing in the bank's statement of assets is the stock of the National Safe Deposit Company (Bank Building), $1,250,100. This investment has been carried for three years past without yielding any income. We are pleased to state that commencing with May first next, on the basis of its earnings now established, the company will be on a six per cent. dividend paying basis, besides providing amply for all possible depreciation in the property.

"The result of the year's work from the standpoint of earnings has again been satisfactory in both banks. It has enabled the directors, after paying the usual dividends and providing for all losses, to transfer

Educating the American Public to the Purchase of High Grade Securities.

By DAVID GRAHAM EVANS,
Vice-President and Treasurer of Success Magazine.

RECENT developments in the financial world have brought to the attention of the thinking men of this country the necessity of those who really earn dollars by labor being educated as to where and how to take care of their surplus funds.

It is only necessary to make even slight observations of the results obtained and the money secured by promoters of most any kind of a scheme for one to determine the necessity of having the American people familiar with high class securities. For the last fifty years, at least, the faker has been exploiting his wares in the daily papers, through the use of advertising columns, his press agents, and in fact, through most any channel found open to him. He has succeeded in working up a business that amounts to over $750,000,000 per annum, and this from the wage earners of our country.

On the other hand, the legitimate promoter, his fiscal agent, operating under the name of investment banker or trust company, has felt that it was undignified for him to get before the public in print. The result has been that very few people today know little, if anything, about high grade securities, or the careful methods employed by reputable banking institutions to protect their surplus funds. In short, the dishonest promoter has the attention of the individual investor and the conservative and reputable banker is not known to him. This last statement is true with but few exceptions. See the Investor's Department of Success Magazine.

Six months of very careful study of this whole situation convinced us that some plan should be adopted which would bring to the attention of the American people the good in Wall Street and in all other financial centers. The result of our investigations was a decision to carry on a crusade against the fakers, and to popularize high class investments.

Beginning with the September issue, 1906, Success Magazine started a series of articles by Frank Fayant, under the title of "Fools and Their Money." There was opened up in the same month an "Investor's Department," in which we proposed to familiarize our readers with securities of the highest class. We have received to date as a result of these efforts, over 50,000 letters from our readers. The results were simply astounding. The interest shown in the subject of investments was far beyond our sanguine hopes.

Several of the other high class magazines followed us in this work, and there is no doubt but what the whole plan will shortly have some six or eight millions of high class magazine circulation, and they all, like ourselves, will enlist in this work for an indefinite period.

The periodical press was never more powerful than it is today, and never more essential to our growth and development. Public taste is molded largely by its influence.

There could be no greater power employed to divert the millions of dollars now going to the faker into legitimate channels than the power, influence, and prestige of high grade magazines; therefore, there is no better medium for high class financial advertisers to use than the high grade magazines. This great field can be reached at a very small cost per unit. There is no other way in which to reach it so effectively—so cheaply. Then again, you may have the assurance that you will be in good company at all times; especially is that true if you use Success Magazine. We have rejected many thousands of dollars this past year in order to keep our columns clean.

There is a great deal more to be said in connection with educating the American people to sound investments. We should be glad to give you the rest of the story if you will write to Success Magazine, Washington Square, New York, and let us know if you are interested.

$1,000,000 from the profit and loss account of the First National Bank to the surplus fund making the latter $7,000,000, and to transfer from the profit and loss account of the First Trust and Savings Bank to the surplus fund $500,000, increasing it to $1,000,000."

In the published statements, the deposits of the First National are shown to be $87,-067,889.19 and those of the First Trust and Savings Bank to be $32,489,130.59.

SOUTHERN STATES.

—Two Georgia banks, the First National and the Home Savings Bank, both of Fitzgerald, have combined under the name of the former with a capital stock of $125,000. The new officers are: President, E. K. Farmer; cashier, J. E. Turner; assistant cashier, J. C. Haynes.

—It has been voted by stockholders of the Citizens' Bank of Abbeville, Ga., to increase their capital stock to $40,000. Plans were also discussed for converting into a national bank, but no action will be taken on this before next spring.

—At the annual meeting of the Lowry National Bank of Atlanta, held last month, several important changes were made in the official board. Jos. T. Orme, cashier of the bank, was made a vice-president; Henry W. Davis, the assistant cashier, was made cashier; and E. A. Bancker, Jr., was made assistant cashier. The directory of the bank was increased by the election of two new members, J. H. Nunnally and Ernest Woodruff, president of the Trust Company of Georgia.

—After being closed for a period of two months, the West Texas Bank and Trust Company of Austin opened on December 31, and during the day's business increased its deposits $15,000 and its cash on hand $13,000.

—The stockholders of the First National Bank of Shellman, Ga., recently held their annual meeting. The following are the officers elected: Captain H. A. Crittenden, president; W. R. Curry, vice-president; H. O. Crittenden, vice-president; F. C. Sears, cashier.

Captain Crittenden, who is state senator from the eleventh district, has been president of the bank since its organization, about eight years ago. Its capital stock at first was only $15,000; two years ago it was increased to $25,000, and one year ago the bank was converted into a national institution. This year its stock was again increased to $50,000, which makes it one of the largest, and the only national bank, in Randolph county.

—On February 1, the Citizens' National of Macon, Ga., opened for business in a new building, with a capital stock of $250,000. Its prospects are bright for becoming one of the strongest banks in Dixie. The officers are: W. C. Stevens, president; Joseph W. Stetson and J. Clay Murphy, vice-presidents; Eugene W. Stetson, cashier, and B. S. Walker, Jr., assistant cashier.

—The annual meeting of the bankers of Florida has been called for February 20 and 21, at St. Petersburg.

—The First National Bank of Eureka Springs, Arkansas, has been consolidated with the Arkansas State Bank and the business will be conducted under the name of the First National Bank. The new officers are: President, R. G. Floyd; vice-president, R. S. Granger; cashier, L. W. McCrory; assistant cashiers, L. Gregg and L. E. Baird.

—January 10, the Lumberman's National Bank of Houston moved into its new quarters on the corner of Prairie avenue and Main street, and an informal reception was held on that day. Patrons and friends of the bank who called during the day were delighted with the elegant furnishings and splendid arrangements of the banking rooms.

—H. B. Jackson has resigned his position as cashier of the Orange (Texas) National Bank, and Geo. M. Sells, vice-president, succeeds him.

—L. G. Holleman, state bank examiner of South Carolina, has tendered his resignation to Governor Ansel. Just when the resignation will go into effect is not known, as no successor has yet been selected. Mr. Holleman was recently made president of the People's Bank of Anderson, and will devote his time to the bank's interests.

—The Miners and Citizens' Bank of Yellville, Arkansas, will have a new home early in the spring. The work of erecting its new stone building will be commenced the latter part of February.

—At the annual stockholders' meeting of the Bank of England, Arkansas, held last month, a most favorable report was submitted. Besides earning over 20 per cent. for the current year, the directors declared a 10 per cent. dividend to all stockholders and placed the balance in the surplus fund. The bank's old officers were re-elected for the ensuing year.

—The First National Bank of Northfork, West Virginia, in its statement of December 31, 1907, gives some convincing reasons why it should prosper with the support of its many friends. It is capitalized at $50,000 and has a surplus fund of $5,000. Deposits on December 31, 1906, amounted to $126,745.00, and on December 31, 1907, they were $226,078.00, a gain of $100,000.00 in twelve months.

WESTERN STATES.

—Francis A. Chapman has been most successful in winding up the affairs of the First National Bank at Victor, Colorado, which failed some time ago. Recently the fourth and last dividend was declared, depositors realizing every cent paid in and all expenses connected with a receivership being paid off.

—The Bank of Ely, Nevada, began business last month in quarters which are the finest to be found in the state. Located at a terminal of the Nevada Northern Railroad system, indications are that its business will increase rapidly during the present year.

—Small private banks of Colorado are taking out incorporation papers and will become state banks to comply with a recent law passed by the legislature.

Among those organized on the last day of 1907, are: The Lincoln State Bank of Arriba, capitalized at $10,000; the Bank of Del Norte, with $10,000 capital; and the Bank of Amity, also capitalized at $10,000.

—The First National Bank of Fort Morgan, Colorado, has moved into a new building worth $30,000 and fitted with furniture of the latest pattern.

—All the Nye and Ormsby County banks located at Goldfield, Tonopah, Carson City, Reno, Manhattan and Wonder, Nevada, reopened on January 2. It is understood that the branch in Goldfield is to become a national bank, with Frank M. Smith at the head of the institution.

Preparations are being made to move the bank into a new stone block at Main and Ramsey streets.

—Another closed Colorado bank that is to reopen is David Swickhimer's bank at Rico, a small mining camp.

The plan of resumption, which appears to have been agreed to by the creditors of the institution, is that they assign their claims to Mr. Swickhimer, who will give them his personal notes, maturing in one year and more.

When the bank closed $12,000 represented the cash on hand. The balance of the assets was in notes and real estate. The deposits were $78,000, of which $40,000 were on open account, and $38,000 in time certificates. The assets are double the liabilities, it is said.

—Group 1 of the Oklahoma Bankers' Association will meet in regular annual session at Lawton, Okla., Saturday, February 22, 1908.

Matters of vital importance to the small banker will be discussed, and a good program provided. Any banker within the jurisdiction of Group 1, may become a member by remitting $2.50, one year's dues, to Mr. T. P. Martin, Jr., at Marlow, Okla., secretary of the group.

—A complete set of new steel fixtures, including safety deposit boxes and fireproof vaults, has been installed by the Butte County Bank of Belle Fourche, South Dakota, and to further protect its customers the bank recently installed an electric burglar alarm system.

—Peculiar circumstances caused the closing of the Green River (Utah) State Bank last December. The town is situated in an irrigated fruit-raising district and has been growng rapidly for almost two years.

Last spring the two dams which had been built were taken out by a freshet, leaving the town and surrounding country without water, and as a result many people withdrew their deposits and moved away.

PACIFIC STATES.

—Prospects for the closed California banks are brightening rapidly and it is hoped that with new officers in charge, all that closed last year will be reopened.

—James L. de Fremery has been elected president of the Union National Bank of Oakland, Charles E. Palmer having resigned. George D. Gray has succeeded J. Dalzell Brown as first vice-president, and E. F. Jordan, formerly cashier of the Santa Clara Valley Bank, is the new cashier.

—George Mason is the newly elected president of the Central National Bank of Los Angeles, succeeding William Mead, former president.

—Spokane, Washington, has been designated a reserve city, under the act of March 3, 1887, as amended March 3, 1903.

—The last clearing-house certificates issued by the San Francisco Association were retired February 1. The issue was about $7,000,000 and towards the close of last month they were retired at the rate of $300,000 per day.

—Plans have been prepared for the erection of a modern bank building on the corner of Sansome and Commercial streets, San Francisco. It will be for the use of the Yokohama Specie Bank, Ltd., and will take its place among the striking edifices in the city devoted exclusively to banking purposes.

Pressed brick and cream-colored limestone will be used on the exterior, while the interior will be finished in the usual manner with bronze grill work, marble floors and wainscoting.

—Mark G. Jones, an extensive stockholder in the Merchants' Trust Company of Los Angeles, has been elected its president, to succeed W. L. Brent, resigned.

—A change has taken effect in the ownership and management of the Sixth Street Bank of San Diego, by which G. W. Jorres becomes president, succeeding D. H. Steele. Carl A. Johnson, cashier, is succeeded by H. W. Myers.

CANADA.

—La Banque Provinciale recently opened a head office in Montreal, where its former building has been remodeled.

Because of the enormous growth of business throughout the thirty-two branches, several important changes have been made in the staff. M. La Rose, formerly manager of the St. Henri branch of the Quebec Bank, relieves Tancrede Bienvenu, general manager, and L. S. Gauthier becomes assistant manager.

—P. A. Rowley is manager of a branch office of the Bank of Nova Scotia recently opened at Welland, Ont.

G. S. Moore has been appointed manager of the Royal Bank branch at the same place.

—A. B. Hood, until recently manager of the Eastern Townships Bank at Phoenix, B. C., has become manager of the company's branch at Grand Forks, B. C.

—The annual directors' report of the Bank of Hamilton, Ontario, shows a profit of $384,718.25 for the year, out of which a 10 per cent. dividend was paid and other current expenses.

J. Turnbull is general manager.

—Several changes have taken place in officials of the Dominion Bank. Mr. J. M. Jellett, who has been assistant manager of the bank in Montreal, has been appointed assistant manager at the head office in this city. He has been in Montreal for three years, and formerly spent twelve years in the bank's service in Toronto. Mr. Jellett's successor in Montreal will be Mr. W. C. Gwyn, who was recently assistant inspector at the head office. Mr. Gwyn has also had experience in Winnipeg and the West.

—All employees of the Royal Bank of Canada will come in for a share of a general bonus of 10 per cent., recently declared.

—Directors of the Bank of Ottawa propose to increase the capital stock of the bank $2,000,000, making the total paid-up capital $5,000,000..

—New stock to the amount of $5,000,000 is to be issued in the near future by the Canadian Bank of Commerce, which will make the paid-up capital of that institution $15,000,000.

—On January 18, the Sovereign Bank of Canada passed into the hands of the Canadian Bankers' Association, which will guarantee its note circulation.

Depositors who wish to withdraw their savings will be allowed to do so, but there is much uncertainty as to where the shareholders will finish. The bank, organized in 1905, has had an uphill fight, its $4,000,000 paid-up capital being insufficient to carry it along. Not long ago, when in difficulty, the bank wrote off much of its assets, the Morgan interests of New York and the Deutsche Bank of Germany coming to its aid.

—An abstract of the reports of condition of the thirty-five chartered banks in the Dominion of Canada of date December 31, 1907, taken from the supplement to the

Canada Gazette, January 20, 1908, is submitted herewith:

LIABILITIES.

Capital, authorized	$139,966,666	
Capital, subscribed	98,648,841	
Capital, paid in		$95,995,482
Reserve fund		70,901,232
Circulation		77,504,398
Due to the Dominion Government		11,315,319
Due to the Provincial governments		7,527,112
Deposits		613,218,693
Due to banks		23,678,551
Other liabilities		10,450,630
		$910,591,417
Excess of resources (not scheduled) over liabilities		10,666,371
		$921,257,788

RESOURCES.

Specie	$25,119,474
Dominion notes	49,963,860
Due from Dominion government (security for notes)	4,255,670
Notes and checks on other banks	33,853,075
Due from banks	34,063,357
Dominion and Provincial securities	9,210,716
Municipal, etc., securities	19,907,744
Railroad bonds and stocks	41,971,437
Call loans	88,010,341
Current loans	579,516,639
Government and Provincial loans	5,310,646
Overdue paper	3,420,200
Real estate	968,610
Mortgages	447,112
Bank premises	17,183,649
Other assets	8,055,258
Total	$921,257,788

NOTE.—Greatest amount of circulating notes outstanding during December, $85,778,839; loans to directors and concerns in which they are interested, $12,277,967; average amount of specie held during December, $24,827,444; average amount of Dominion notes held during December, $46,702,176.

In connection with the foregoing statement, the following, from the American consul at Cornwall, Ontario, will be read with interest:

The banks in Canada are stronger in resources than for years and are amply secured against emergencies. In the last year the assets of the banks here declined $14,500,000, while liabilities declined $22,500,000. There has been a reduction or decline in deposits of $22,250,000. This is the first yearly decline in ten years; the net decrease of $8,000,000 more in liabilities than in assets is in the right direction. Trade loans for the year have increased $32,201,000.

CUBA.

—On November 30, 3,447 cheques were cashed by the National Bank of Cuba at the head office in Havana. During the month of November, the draft-teller sold through the windows 1,982 drafts on every part of the world, amounting to $2,750,000.

FOREIGN.

BANK OF NEW SOUTH WALES.

At the recent semi-annual meeting of the shareholders of the Bank of New South Wales, held at the head office at Sydney, the report presented stated that the net profits after deducting rebate on current bills, interest on deposits, paying note and other taxes, reducing valuation of bank premises, providing for bad and doubtful debts, and fluctuations in the value of investment securities, and including recoveries from debts previously written off as bad, amounted to £142,966; to which was added undivided balance from last half-year, £29,314, giving for distribution, £172,280, which the directors recommended to be dealt with as follows: To payment of dividend at the rate of ten per cent. per annum, £110,635; to augmentation of the reserve fund, £30,000; leaving a balance to be

carried forward of £31,645. At a special general meeting of the shareholders on May 29 last it was unanimously decided to increase the capital of the bank to £2,500,000 by the creation of 25,000 new shares of £20 each. By the first payments made as on July 1, the paid-up capital was increased to £2,425,400. During the half-year branches of the bank had been opened at Coopernook, Dorrigo, and Lithgow, in New South Wales, and at Clifton, in Queensland; and the branch at Wyong (N. S. W.) had been closed.

Herewith is given the statement of the bank as of September 30 for the years 1904, 1905, 1906 and 1907.

The president, Dr. C. K. Mackellar, in addressing the shareholders, after comparing the items in the balance-sheet, turned to the general conditions of the country. These he does not find to be unsatisfactory, and conditions in Australia, in his opinion, are not affected by other than temporary disturbances which are general all over the world.

BANK OF NEW SOUTH WALES — (SEPTEMBER 30).

	1904.	1905.	1906.	1907.
Liabilities—	£	£	£	£
Notes	937,760	960,477	959,908	982,704
Deposits	21,093,160	23,320,148	24,812,021	26,056,302
Bills, etc.	2,788,154	2,564,816	3,354,027	3,254,518
Capital, paid	2,000,000	2,000,000	2,000,000	2,425,400
Reserve	1,350,000	1,400,000	1,450,000	1,500,000
Profit	148,231	152,197	160,934	181,125
Contingent	532,784	556,254	695,614	690,261
	28,850,089	30,953,892	33,432,504	35,090,310
Assets—				
Cash	4,558,762	5,789,252	5,276,930	6,869,020
Notes (other)	148,780	154,726	176,538	197,243
London, at call	200,000	990,000	2,520,000	1,665,000
Investments	1,695,446	1,881,484	1,969,229	2,496,537
Bills, etc.	2,051,567	1,933,878	2,373,589	2,170,612
Advances	18,969,250	18,942,298	19,705,604	20,311,637
Premises	693,500	706,000	715,000	690,000
Contingent	532,784	556,254	695,614	690,261
	28,850,089	30,953,892	33,432,504	35,090,310

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report.

Applications to Organize National Banks Approved.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

First National Bank, Marysville, Okla.; by S. J. Garvin, et al.

National Bank, Miami, Okla.; by R. J. Tuthill, et al.

National Bank, Marion, Wis.; by T. R. Wall, et al.

Home National Bank, Miles City, Mont.; by W. B. Jordan, et al.

First National Bank, Cincinnati, Ioa.; by N. A. Robertson, et al.

National Bank, Wheaton, Minn.; by Edw. Rustad, et al.

Perkiomen Valley National Bank, Green Lane, Pa.; by J. R. Allebuch, et al.

Bonham National Bank, Fairbury, Neb.; by Luther Bonham, et al.

First National Bank, Northboro, Ioa.; by J. R. Harris, et al.

First National Bank of Polk County, Copperhill, Tenn.; by J. P. Channing, et al.

First National Bank, Hegins, Pa.; by F. P. Barnd, et al.

Muskogee National Bank, Musgogee, Okla.; by A. C. Trumbo, et al.

East Portchester National Bank, East Portchester, Conn.; by W. J. Smith, et al.

First National Bank, Winder, Ga.; by W. H. Toole, et al.

First National Bank, Odessa, Wash.; by H. E. Christensen, et al.

White Mountain National Bank, Gorham, N. H.; by Ralph L. Wilson, et al.

Cavalier County National Bank, Langdon, N. D.; by W. J. Mooney, et al.

First National Bank, Mammoth Spring, Ark.; by C. W. Dixon, et al.

First National Bank, Prattville, Ala.; by A. Northington, et al.

National Bank, Adrian, Minn.; by Jas. R. Jones, et al.

First National Bank, Philadelphia, Miss.; by G. W. Mars, et al.

First National Bank, Eastman, Ga.; by Leroy Pharr, et al.

First National Bank, Goldfield, Nev.; by J. P. Marshall, et al.

People's National Bank, Pontotoc, Miss.; by John Goff, et al.

Lamar National Bank, Lamar, Colo.; by L. F. Adams, et al.

National Bank, Cheney, Wash.; by F. M. Martin, et al.

First National Bank, Mabel, Minn.; by E. L. Tollefson, et al.

First National Bank, Marmarth, N. D.; by J. E. Phelan, et al.

Live Stock National Bank, Chicago, Ill.; by S. R. Flynn, et al.

First National Bank, Mulhall, Okla.; by G. E. Burford, et al.

First National Bank, Walhalla, N. D.; by C. W. Andrews, et al.

Creek National Bank, Sapulpa, Okla.; by F. S. Westfall, et al.

First National Bank, Bloomington, Neb.; by J. B. McGrew.

National Bank, Preston, Minn.; by H. R. Wells, et al.

First National Bank, Woodbury, Ga.; by C. W. Powers, et al.

Application for Conversion to National Banks Approved.

First Bank of Montezuma Valley, Cortez, Colo.; into Montezuma Valley National Bank.

Lee County Bank, Fort Myers, Fla.; into First National Bank.

Citizens' Bank, Millen, Ga.; into First National Bank.

Medical Lake State Bank, Medical Lake, Wash.; into First National Bank.

Merchants and Farmers' Bank, Cordele, Ga.; into American National Bank.

Merchants and Farmers' Bank, Jefferson, Ga.; into First National Bank.

Bank of Troy, Troy, Ida.; into First National Bank.

Jefferson County State Bank, Fairfield, Ioa.; into Fairfield National Bank.

First Savings Bank, Story City, Ioa.; into First National Bank.

Bank of Ellinwood, Ellinwood, Kans.; into First National Bank.

Boyne City State Bank, Boyne, Mich.; into First National Bank.

Superior Savings Bank, Hancock, Mich.; into Superior National Bank.

Union State Bank, Harvard, Neb.; into Union National Bank.

Bank of Fredonia, Fredonia, N. Y.; into National Bank of Fredonia.

Farmers' Bank, Manchester, Ohio; into Farmers' National Bank.

Bank of Santa Fe, Newkirk, Okla.; into Eastman National Bank.

Noble State Bank, Noble, Okla.; into First National Bank.

Sulpher Bank and Trust Co., Sulpher, Okla.; into Park National Bank.

Farmers and Merchants' State Bank, North Powder, Oreg.; into First National Bank.

Central Savings Bank, Hot Spring, S. D.; into Stockmans' National Bank.

Bank of Wytheville, Wytheville, Va.; into First National Bank.

Wapato State Bank, Wapato, Wash.; into First National Bank.

McDowell County Bank, Welch, W. Va.; into McDowell County National Bank.

Citizens' Bank, Welch, W. Va.; into First National Bank.

North American Trust Co., Encampment, Wyo.; into First National Bank.

National Banks Organized.

8972—First National Bank, Dagsboro, Dela.; capital, $25,000; Pres., Rufus D. Lingo; Vice-Pres's., E. A. Townsend and E. W. Gray; Cashier, Wm. B. Chandler.

8973—First National Bank, New Albany, Pa.; capital, $25,000; Pres., Lowell C. Allen; Vice-Pres., Carl E. Osthaus; Cashier, T. A. Kelder.

8974—First National Bank, Wetmore, Kans.; capital, $25,000; Pres., Thos. E. Henderson; Vice-Pres., Erwin Adamson; Cashier, F. P. Achten; Asst. Cashier, L. A. Achten.

8975—First National Bank, Campbell, Neb.; capital, $25,000; Pres., L. H. Eastman; Vice-Pres's., J. B. Laporte and A. L'Heureux; Cashier, J. H. Chevalier; Asst. Cashiers, J. Frickel, Jr., and B. M. Chevalier.

8976—First National Bank, Bowman, N. D.; capital, $25,000; Pres., J. E. Phelan; Vice-Pres., Darwin A. Stewart; Cashier, Robt. H. Smith; Asst. Cashier, Dugald Stewart.

8977—National Bank, Luverne, Minn.; capital, $25,000; Pres., P. O. Skyberg; Vice-Pres's., Carl Wiese and James McKean; Cashier, Fred B. Burley.

8978—First National Bank, Lewisville, O.; capital, $25,000; Pres., Chas. G. Oblinger; Vice-Pres., Wm. H. Distler; Cashier, J. W. Zerger.

8979—First National Bank, Cassville, Mo.; capital, $25,000; Pres., J. H. McGuffin; Vice-Pres., J. W. Orr; Cashier, W. M. Charlesworth.

8980—First National Bank, Alachua, Fla.; capital, $25,000; Pres., J. C. Bishop; Vice-Pres's., C. A. Williams and T. W. Shands; Cashier, G. W. McCall.

8981—First National Bank, Adel, Ioa.; capital, $50,000; Pres., J. W. Russell; Vice-Pres., D. A. Blanchard; Cashier, Wm. Roberts. Conversion of Dallas Co. Savings Bank.

8982—First National Bank, Olney, Tex.; capital, $25,000; Pres., Jno. W. Groves; Vice-Pres., R. Campbell; Cashier, W. F. Hutchinson.

8983—First National Bank, Elm Grove, W. Va.; capital, $25,000; Pres., J. B. Chambers; Vice-Pres., Geo. P. Folmar; Cashier, S. B. Chambers.

8984—People's National Bank, Rocky Mount, Va.; capital $25,000; Pres., N. P. Angle; Vice-Pres's., C. J. Shoaf and L. W. Anderson; Cashier, C. J. Davis. Conversion of People's Bank.

8985—First National Bank, Orbisonia, Pa.; capital, $25,000; Pres., R. S. Seibert; Vice-Pres., S. O. Fraker; Cashier, H. A. Guepner.

8986—Fairfield National Bank, Fairfield, Ioa.; capital, $60,000; Pres., D. C. Bradley; Vice-

Pres., R. B. Louden; Cashier, S. K. West; Asst. Cashier, F. J. L. Black. Conversion of Jefferson Co. State Bank.

8987—Citizens' National Bank; Vancouver, Wash.; capital, $50,000; Pres., T. H. Adams. Conversion of Citizens' Bank.

8988—First National Bank, Decatur, Neb.; capital, $25,000; Pres., J. B. Whittier; Vice-Pres's., C. H. W. Busse and P. B. Gordon; Cashier, E. A. Hanson; Asst. Cashier, J. Hamilton.

8989—Worthington National Bank, Worthington, Minn.; capital, $25,000; Pres., W. M. Evans; Vice-Pres., Daniel Shell; Cashier, A. W. Fagerstrom.

8990—Citizens' National Bank, Macon, Ga.; capital, $250,000; Pres., W. C. Stevens; Vice-Pres's., J. N. Neel and J. C. Murphey; Cashier, E. W. Stetson; Asst. Cashiers, B. S. Walker, Jr., and A. B. Simms.

8991—First National Bank, Hettinger, N. D.; capital, $25,000; Pres., C. E. Batcheller; Vice-Pres., A. G. Newman; Cashier, Frank Rhoda.

8992—National Bank, Ainsworth, Neb.; capital, $35,000; Pres., R. S. Rising; Vice-Pres., J. M. Hanna; Cashier, C. A. Barnes. Conversion of Bank of Ainsworth.

8993—National Bank, Wheaton, Minn.; capital, $25,000; Pres., Edw. Rustad; Vice-Pres., Jacob Heidelberger; Cashier, G. K Kristensen.

8994—American National Bank, Atoka, Okla.; capital, $25,000; Pres., W. B. Paschall; Vice-Pres's., James O. Jones and W. S. Farmer; Cashier, F. E. Adams; Asst. Cashier, Thos. F. Horne.

8995—Bonham National Bank, Fairbury, Neb.; capital, $50,000; Pres., I. Bonham; Vice-Pres., Wm. Robinson; Cashier, Luther Bonham.

8996—National Bank of Granville, Oxford, N. C.; capital, $60,000; Pres., E. T. White; Vice-Pres., J. M. Currin; Cashier, H. G. Cooper; Asst. Cashiers, C. S. Eastern and W. T. Yancey. Conversion of Bank of Granville.

8997—First National Bank, Steele, N. D.; capital, $25,000; Pres., Jno. F. Robinson; Vice-Pres., J. E. Robinson; Cashier, F. D. Jones. Conversion of Kidder County State Bank.

8998—National Bank, Thurmond, W. Va.; capital, $50,000; Pres., W. D. Thurmond; Vice-Pres., C. C. Lewis, Jr.; Cashier, J. H. Miller. Conversion of Thurmond Bank.

8999—First National Bank, Maysville, Okla.; capital, $25,000; Pres., S. J. Garvin; Vice-Pres., Geo. J. Dykes; Cashier, W. P. Mays.

9000—First National Bank of Alger County, Munising, Mich.; capital, $60,000; Pres., Wm. G. Mather; Vice-Pres., W. F. Hopkins; Cashier, G. S. Collins; Asst. Cashier, H. H. McMillan. Conversion of Munising State Bank.

9001—White Mountain National Bank, Gorham, N. H.; capital, $25,000; Pres., Chas. G. Hamlin; Vice-Pres., E. W. Libby; Cashier, R. L. Wilson.

9002—Stockgrowers and Farmers' National Bank, Wallowa, Oreg.; capital, $50,000; Pres., J. G. Stevens; Vice-Pres., E. A. Holmes; Cashier, C. T. McDaniel; Asst. Cashier, Margaret Boner.

9003—Merchants' National Bank, Watertown, Wis.; capital, $120,000; Pres., W. D. Sproesser; Vice-Pres., Jos. Terbrueggen; Cashier, D. H. Kusel; Asst. Cashiers, Chas. E. Frey and Max Rohr. Conversion of Merchants' Bank.

9004—First National Bank, Sidney, Mont.; capital, $25,000; Pres., J. S. Day; Vice-Pres., Ira M. Alling; Cashier, Thos. C. Gardner; Asst. Cashier, W. K. Adams. Conversion of Bank of the Valley.

NEW STATE BANKS, BANKERS, ETC.

ARKANSAS.

Hindsville—Valley Bank; capital, $25,000; Pres., W. A. Moore; Vice-Pres., J. E. Martin; Cashier, L. A. Jones.

Walnut Hill—Walnut Hill Bank; capital, $5,000; Pres., J. B. Herndon; Vice-Pres., J. F. McKnight; Cashier, R. H. Duty.

COLORADO.

Nunn—First State Bank; capital, $10,000; Pres., B. F. Clark; Vice-Pres., Boyd Wolf; Cashier, F. G. McGannon.

GEORGIA.

Lawrenceville—Brown Bank and Trust Co.; capital, $15,000; Pres., Sam G. Brown; Vice-Pres's., Jno. B. Brogdon and S. J. Winn; Cashier, Walter L. Brown.

IDAHO.

Buhl—Buhl Bank and Trust Co. (succeeded State Bank); capital, $25,000; Pres., R. W. Faris; Vice-Pres., H. E. Neal; Cashier, J. W. Faris.

ILLINOIS.

Belvidere—Farmers' State Bank; capital, $60,000; Pres., Chas. G. Meyers; Vice-Pres., S. L. Covey; Cashier, A. G. White; Asst. Cashier, A. G. Meyers.

Hanna City—Pinkerton Exchange Bank; capital, $5,000; Pres., H. B. Pinkerton; Cashier, J. F. Fuller.

LaGrange—Lagrange Trust and Savings Bank; capital, $50,000; Pres., W. E. Keeler; Cashier, H. J. Twinting; Asst. Cashier, A. N. Sanquist.

INDIANA.

Aurora—Aurora State Bank; capital, $50,000; Pres., H. P. Spaeth; Vice-Pres., Philip Horr; Cashier, G. B. Wilson; Asst. Cashier, F. Beinkampen.

Waveland—State Bank (succeeded Bank of Waveland); capital, $25,000; Pres., F. N. Johns; Cashier, A. H. Johns.

IOWA.

East Pleasant Plain—East Pleasant Plain Savings Bank; capital, $15,000; Pres., Henry Pickard; Vice-Pres., Frank Pacha; Cashier, H. L. McGrew.

Harvey—People's Savings Bank; capital $1,500; Pres., W. E. Foshier; Vice-Pres., N. T. Gurnsey; Cashier, W. Holtzclaw.

Rinard—Rinard Savings Bank (succeeded Bank of Rinard); capital, $10,000; Pres., Chas. Beacham; Vice-Pres., H. C. Wetter; Cashier, S. G. Wilson.

Rossie—Rossie Savings Bank; capital, $10,000; Pres., Chas. Gilmore; Vice-Pres., J. J. Spindler; Cashier, Chas. C. Miller.

Stuart—Stuart Savings Bank; capital, $25,000; Pres., M. S. Kile; Vice-Pres., C. M. Burke; Cashier, F. M. Kile.

KANSAS.

Coffeyville—American State Bank; capital, $25,000; Pres., R. H. Muzzy; Vice-Pres., I. Litman; Cashier, D. H. Martin.

KENTUCKY.

Calvert City—Calvert Bank; Pres., J. M. Tichenor; Vice-Pres., R. M. Jones; Cashier, R. L. Holland.

LOUISIANA.

Ferriday—Ferriday State Bank; capital, $50,000; Pres., W. G. Walton; Vice-Pres., L. Rogers; Cashier, Dan Flemming.

MARYLAND.

Sharpsburg — Sharpsburg Savings Bank; Pres., Chas. G. Biggs; Vice-Pres., S. S. Stouffer; Cashier, Robt. L. Highbarger.

Williamsport—Savings Bank; capital, $25,000; Pres., W. D. Richardson; Vice-Pres., A. G. Hoffman; Cashier, Chas. A. Koogle; Asst. Cashier, W. H. Miller.

MICHIGAN.

Boyne—People's Bank; Cashier, Sabin Hooper; Asst. Cashier, H. F. Wenzel.

Jackson—Central State Bank; capital, $100,000; Pres., H. R. Page; Vice-Pres's., F. E. Palmer and H. C. Loeser; Cashier, Chas. J. Higgins; Asst. Cashier, Louis A. Worch.

Laingsburg—Union State Bank (succeeded Union Bank); capital, $20,000; Pres., A. Rohrabacher; Vice-Pres., F. B. Smith; Cashier, W. H. Hunt.

Portland—Webber State Savings Bank (succeeded Jno. A. Webber & Son); capital, $25,000; Pres., Mary E. Webber; Vice-Pres., Edwin A. Buck; Cashier, Lorenzo Webber; Asst. Cashier, Frank J. Badgley.

MINNESOTA.

Danvers—State Bank (succeeded Bank of Danvers); capital, $10,000; Pres., L. Matthews; Vice-Pres., Julius Thorson; Cashier, Thos. H. Connolly.

MISSOURI.

Desloge—Citizens' Bank; capital, $10,000; Pres., A. J. Clay; Vice-Pres., E. J. Harrington; Cashier, R. W. Hornsey.

MONTANA.

Joliet—Joliet State Bank; capital, $25,000; Pres., W. F. Meyer; Vice-Pres., E. L. Grewell; Cashier, W. H. Hopkins; Asst. Cashier, F. W. Thomas.

NEW JERSEY.

Toms River—Ocean County Trust Co.; capital, $100,000; Pres., Geo. H. Tolman; Vice-Pres's., A. C. B. Havens and J. F. Minturn; Sec. and Treas., W. F. Quinnons.

NORTH CAROLINA.

Grifton—Bank of Grifton; capital, $10,000; Pres., L. J. Chapman; Vice-Pres., W. W. Dawson; Cashier, W. T. Gardner.

NORTH DAKOTA.

Beach—Farmers and Merchants' Bank; capital, $6,600; Pres., H. C. Jensen; Vice-Pres., J. W. Brinton; Cashier, Karl Olson.

Center—Bank of Oliver Co.; capital, $5,000; Pres., Chas. L. Timmerman; Vice-Pres., C. F. Peterson; Cashier, H. H. Kenyon.

Marion—Johnston State Bank; capital, $15,000; Pres., D. S. B. Johnston; Vice-Pres., P. Christopherson; Cashier, L. N. Sickels; Asst. Cashier, R. J. Crain.

Melville—Bank of Melville; capital, $10,000; Pres., O. Wiseman; Cashier, Philip Wiseman.

OHIO.

Conneaut—Citizens' Banking and Trust Co.; capital, $50,000; Pres., F. E. Gordon; Vice-Pres., B. E. Thayer; Cashier, Chas. R. Dodge; Asst. Cashier Wm. A. Chamberlin.

Holmesville—Holmesville Banking Co.; capital, $12,500; Pres., B. F. Wilson; Vice-Pres., P. S. Sidell; Cashier, P. C. Albertson.

New Lexington—Commercial and Savings Bank Co.; capital, $25,000; Pres., C. P. Thacker; Vice-Pres., J. G. McDougal; Cashier, F. H. Avery.

OKLAHOMA.

Anadarko—Anadarko State Bank; capital, $25,000; Pres., M. L. Hite; Vice-Pres., R. C. Menefee; Cashier, Boone D. Hite; Asst. Cashier, L. T. McPheeters.

Bradley—Bradley State Bank (succeeded Bank of Bradley); capital, $10,000; Pres., L. M. Maurer; Vice-Pres., R. B. Croan; Cashier, C. B. Clark; Asst. Cashier, W. D. Miller.

McAlester—Trust Co. of America; capital, $200,000; Pres., E. A. Mears; Vice-Pres., Frank P. Kawken; Cashier, E. A. Mears.

Oklahoma City—First Savings Bank; capital, $25,000; Pres., E. L. Dunn; Vice-Pres's., G. K. Williams and S. B. Finley; Cashier, J. B. Green.

OREGON.

Portland — Scandinavian-American Bank; capital $100,000; Pres., C. F. Hendricksen; Vice-Pres's., S. Peterson and H. W. Coe; Cashier, H. Rostad.

SOUTH CAROLINA.

Greenwood—Greenwood Real Estate, Loan and Trust Co.; capital, $20,000; Pres., J. B. Wharton; Vice-Pres., K. Baker.

Johnston—Farmers' Bank; capital, $20,000; Pres., B. R. Smith; Vice-Pres., L. Yonce; Cashier, E. L. Ready; Asst. Cashier, Walter Derrick.

TEXAS.

Palacios—Citizens' State Bank; capital, $25,000; Pres., Thos. H. Bonner; Vice-Pres., Joseph Pybus; Cashier, W. L. Rogers, Jr.

VIRGINIA.

Grottoes—Bank of Grottoes; capital, $10,000; Pres., G. K. Foster; Vice-Pres's., J. M. Kolner, Jno. S. Pirkey and Geo. M. Nicholas; Cashier, G. R. Root.

WISCONSIN.

Clayton—Citizens' State Bank; capital, $10,000; Pres., Fred. Malchow; Vice-Pres., Theo. Erickson; Cashier, J. S. Malchow; Asst. Cashier, Chas. J. Anderson.

LaCrosse—Citizens' State Bank; capital, $50,000; Pres., H. B. Dahle; Vice-Pres., H. E. Stroud; Cashier, Thos. S. Thompson.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

Opelika—Bank of Opelika; J. B. Greene, Pres., in place of R. M. Greene, deceased.

ARIZONA.

Bisbee—First National Bank; Jno. P. Gull, Cashier, in place of J. H. Nolan.

Phoenix—Valley Bank merged with Home Savings Bank and Trust Co., under former title; capital, $100,000; E. J. Bennitt, Pres.

ARKANSAS.

Pine Bluff—Merchants and Planters' Bank; S. C. Alexander, Pres.

CALIFORNIA.

Biggs—Sacramento Valley Bank; J. Dalzell Brown, Pres., resigned.

Calistoga—Bank of Calistoga; resumed business, December 30.

El Centro—Valley State Bank; Geo. Carter, Pres.; G. A. Lathrop, Vice-Pres.

Oakland—Union National Bank; E. F. Jordan, Cashier, in place of W. W. Crane.

Pasadena—American Bank and Trust Co.; David Galbraith, Vice-Pres., deceased.

Redding—Bank of Shasta County; C. C. Bush, Jr., Pres., in place of C. C. Bush, Sr., deceased.

San Bernardino—Farmers' Exchange National Bank; John Andreson, Jr., Vice-Pres.; J. F. Johnson, Jr., Cashier, in place of John Andreson, Jr.

CONNECTICUT.

Hartford—Connecticut River Banking Co.; Martin Welles, Vice-Pres.

Middletown—Central National Bank; Lyman D. Mills, Vice-Pres.

Waterbury—West Side Savings Bank; Geo. E. Judd, Treas.

DELAWARE.

Newport—Newport National Bank; J. Perkins Groome, Cashier, in place of Daniel Green.

Odessa—New Castle Co. National Bank; D. W. Corbit, Pres., in place of J. C. Corbit; Jas. T. Shallcross, Vice-Pres., in place of D. W. Corbit.

GEORGIA.

Augusta—Merchants' Bank; Albert Hatch, Pres., in place of W. J. Hollingsworth.

Bainbridge—Decatur County Bank; capital increased to $100,000.

Buford—Bank of Buford; L. P. Pattillo, Pres.; Edw. Flor, Vice-Pres.; Carl Perry, Cashier.

McDonough—First National Bank; H. J. Turner, Cashier.

ILLINOIS.

Benton—Coal Belt National Bank; J. M. Joplin, Pres., in place of R. A. Youngblood; E. Dillon, Vice-Pres., in place of J. M. Joplin.

Charleston—First National Bank; Fred G. Hudson, Cashier; F. R. Blackford, Asst. Cashier.

Chicago—Illinois Trust and Savings Bank; Fredk. T. Haskell, Vice-Pres.—National Bank of the Republic; James M. Hurst and Wm. B. Lavinia, Asst. Cashiers.

Toledo—First National Bank; R. C. Willis, Jr., Asst. Cashier.

INDIANA.

Hebron—Citizens' Bank; H. W. Bryant, Vice-Pres.

Idaville—Bank of Idaville and Farmers' Home Bank consolidated under former title; S. A. Carson, Pres.

Mishawaka—First National Bank; J. D. Rising, Cashier, in place of W. L. Kimball.

Sunman—Farmers' National Bank; Edwin B. Vincent, Vice-Pres.; John Minger, Cashier.

IOWA.

Cedar Rapids—American Trust and Savings Bank consolidated with Fidelity Trust and Savings Bank under former title; Ernest Moore, Pres.; W. W. Hamilton, W. F. Severa and Otto Sikora, Vice-Pres's.; Louis Wokoun, Cashier.

Elliott—First National Bank; no Asst. Cashier in place of J. J. Manker.

Keota—Farmers' Savings Bank; Dudley Crone, Cashier.

Pleasantville—First National Bank; L. Williams, Pres., in place of W. A. Clark; A. D. Reynolds, Vice-Pres., in place of T. R. Brown; F. T. Metcalf, Cashier, in place of R. S. Thompson.

KANSAS.

Cherryvale—People's National Bank; no Pres. in place of C. O. Wright.

Herington—First National Bank; F. E. Munsell, Pres., in place of J. L. Thompson; W. N. Hawley, Vice-Pres., in place of R. W. Vance; Edwin G. Munsell, Cashier, in place of F. E. Munsell; Edith Thompson, Asst. Cashier.

Mount Hope—First National Bank; S. B. Amidon, Vice-Pres., in place of W. F. Soper; F. C. Jorgenson, Asst. Cashier.

Norcatur—First National Bank consolidated with First State Bank under former title; H. O. Douglas, Pres.; Otis L. Benton, Vice-Pres.; H. H. Benton, Cashier; C. F. Miller, Asst. Cashier.

White City—First National Bank; J. M. Baker, Cashier, in place of M. W. Baker.

KENTUCKY.

Hyden—Citizens' Bank; H. M. Hensley, Pres.; W. S. Eversoll, Vice-Pres.; T. L. Gabbard, Cashier.

LOUISIANA.

New Orleans—State National Bank; C. H. Culbertson, Pres., in place of Wm. Adler; no Cashier in place of C. H. Culbertson.

MARYLAND.

Brunswick—People's National Bank; G. W. Billmyer, Cashier in place of L. E. McBride.

Cumberland—Second National Bank; W. B. Lowndes, Vice-Pres., in place of Lloyd Lowndes.

Easton—Farmers and Merchants' National Bank; P. K. Wright, Cashier, in place of C. E. Nicols.

Port Deposit—Cecil National Bank; no Cashier in place of L. G. White.

MASSACHUSETTS.

Boston—New England National Bank; S. W. Holmes, Cashier, in place of Arthur C. Kollock, deceased.

North Adams—North Adams Savings Bank; H. W. Clark, Pres.

Winchendon—Winchendon Savings Bank; Chas. Beals, Pres.; Walter Boyce, Treas.

MICHIGAN.

Menominee—First National Bank; John Henes, Vice-Pres.

Port Huron—German-American Bank; H. F. Marx, Pres.

MINNESOTA.

Bertha—First National Bank; E. Thompson, Asst. Cashier.

Breckenridge—First National Bank; T. E. Knudson, Asst. Cashier.

Glenwood—Pope Co. Bank, title changed to Pope Co. State Bank; capital, $40,000; Pres., M. A. Wollan; Vice-Pres., E. Koefod; Cashier, J. O. Ofsthun; Asst. Cashier, O. B. Wollan.

Mankato—National Bank of Commerce; A. L. Wheeler, Vice-Pres., in place of J. E. Diamond.

MISSISSIPPI.

Bay St. Louis—Merchants' Bank; R. R. Perkins, Pres.

MISSOURI.

Harrisonville—Citizens' National Bank; Allen Glenn, Pres., in place of Downing Miller; H. V. Hurst, Vice-Pres., in place of A. Glenn.

Kansas City—Stock Yards Bank of Commerce; resumed business, December 10.

NEBRASKA.

Beaver City—Bank of Beaver City; R. S. Hendricks, Pres.; F. G. Downing, Vice-Pres.; T. F. Newton, Cashier; L. P. Hendricks, Asst. Cashier.

NEW JERSEY.

Jersey City—Lincoln Trust Co.; Edwin M. Farrier, Vice-Pres.; F. W. George, Asst. Treas.

South Amboy—First National Bank; D. C. Chase, Vice-Pres., in place of B. F. Howell.

South River—First National Bank; no Asst. Cashier in place of F. J. Prentice.

Williamstown—First National Bank; J. F. Imhoff, Vice-Pres.

NEW YORK.

Brooklyn—Brevoort Savings Bank; Edward Lyons, Vice-Pres.; Raymond Lounsbery, Sec'y.—First National Bank, resumed business February 10.

Corona—First National Bank; E. R. Couden, Cashier, in place of W. R. Bardell.

New York City—Hamilton Bank; resumed business, January 20.—Night and Day Bank; Samuel S. Campbell, Pres., in place of A. D. Bennett, resigned; Fredk. Phillips, Vice-Pres.—Trust Co. of America; Philip S. Babcock, Vice-Pres., resigned.

NORTH CAROLINA.

Greensboro—City National Bank; no Cashier in place of L. H. Battle.

Lillington—National Bank; no Cashier in place of W. A. Pope; M. P. Hirsch, Acting and Asst. Cashier.

NORTH DAKOTA.

Blabon—Blabon State Bank; B. A. Cumming, Cashier, in place of S. J. Danskin.

Bowbells—First State Bank, absorbed State Bank.

Courtnay—Stutsman County Bank; P. R. Sherman, Pres.; Geo. E. Berg, Cashier.

Denbigh—Denbigh State Bank; J. Edgar Wager, Cashier.

Petersburg—Farmers' State Bank; Robert Waag, Pres.

Wolford—State Bank and Security State Bank merged under former title; capital increased to $15,000.

OHIO.

Mingo Junction—First National Bank; resumed business, January 2.

OKLAHOMA.

Blackwell—Blackwell National Bank; no Asst. Cashier in place of W. C. Rogers.

Drummond—Bank of Drummond; reorganized as a State Bank; A. B. Light, Pres.; W. H. Stewart, Vice-Pres.; E. A. Browne, Cashier.

Enid—Garfield Exchange Bank and American State Bank consolidated under former title.

Fort Cobb—Washita Valley Bank; L. W. Myers, Pres.; E. J. Buckley, Vice-Pres.; D. G. Swan, Cashier.

Pauls Valley—National Bank of Commerce; E. C. Gage, Vice-Pres., in place of Lorenz Rodke.

Tishomingo—First National Bank; Gilbert Stallings, Asst. Cashier in place of A. G. Summerfield.

PENNSYLVANIA.

Apollo—Apollo Trust Co.; S. M. Nelson, Pres.; E. A. Townsend, Vice-Pres.

Braddock—First National Bank; Geo. C. Watt, Cashier, in place of A. A. McKinney.

Crafton—First National Bank; D. L. Rickey, Asst. Cashier, in place of M. A. Rusk.

Gallitzin—First National Bank; Chas. Zimmers, Cashier, in place of H. A. Guepner.

Mechanicsburg — Mechanicsburg National Bank; S. B. S. Stover, Cashier.

New Albany—First National Bank; Wm. M. Kift, Cashier, in place of T. A. Kelder.

Sheridanville—First National Bank of Sheridan; W. W. Hill, Cashier, in place of J. U. Williams.

South Fork—First National Bank; N. W. Hoffman, Cashier, in place of J. W. Stineman.

Weatherly—First National Bank; J. G. Bell, Cashier, in place of W. F. Wagner.

TENNESSEE.

Jackson—Union Bank and Trust Co.; absorbed Jackson Banking Co.

Lewisburg—First National Bank; W. D. Fox, Cashier, in place of W. R. Hutton.

Monterey—Bank of Monterey; J. W. Welch, Pres.; J. H. Ray, Vice-Pres.; J. T. Price, Cashier.

Savannah—First National Bank; E. W. Ross, Vice-Pres., in place of H. E. Williams; H. E. Williams, Cashier, in place of J. J. Williams, deceased.

TEXAS.

Bellville—First National Bank; H. T. Von Rosenberg, Cashier, in place of C. Langhammer.

Center Point—First National Bank; G. P. McCorkle, Cashier, in place of Alonzo Rees.

Johnson City—Johnson City State Bank; resumed business, December 25.

Mart—First National Bank; no Cashier in place of W. W. Woodson.

Robert Lee—First National Bank; W. J. Adams, Pres., in place of D. B. McCallum; no Vice-Pres., in place of W. J. Adams; F. K. Popplewell, Cashier, in place of H. H. Pearce.

Thorndale — First National Bank; Earl Strauss, Asst. Cashier.

Tulia—First National Bank; J. H. Donaldson, Asst. Cashier.

VIRGINIA.

Norfolk—Citizens' Bank; McD. L. Wrenn, Pres., in place of W. W. Moss, resigned.

WASHINGTON.

Bellingham—First National Bank; no Cashier in place of C. K. McMillin.

Vancouver—Citizens' National Bank; C. C. Gridley, Vice-Pres.; E. R. Reynolds, Cashier.

Walla Walla—Union Savings Bank; O. B. Funk, Pres.; A. R. Johnson, Vice-Pres.; Fred W. Wilson, Cashier; O. M. Beatty, Asst. Cashier.

WISCONSIN.

Osseo—State Bank absorbed Citizens' State Bank; H. A. Field, Vice-Pres.

WYOMING.

Casper—Stockmen's National Bank; J. T. Scott, Cashier, in place of E. C. Kelley, who succeeded F. G. Byram.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

CALIFORNIA.

Los Angeles—Occidental Trust and Savings Bank; in hands of State Bank Commission.

COLORADO.

Rico—David Swickhimer, suspended business, December 23.

Rockyford—State Bank; closed, January 2.

INDIANA.

Remington—Bank of Remington; closed December 28.

KENTUCKY.

Wickliffe—Farmers' Bank; reported closed.

MASSACHUSETTS.

Boston—Dane, Smith & Co., suspended business.

NEW YORK.

New York City—Beaver National Bank; in voluntary liquidation, January 14.—Ervin & Co.; suspended business.—National Bank of North America; in hands of Receiver, January 27.—Whitney & Kitchen; reported closed.

Theresa—Geo. E. Yost; suspended business, January 12.

NORTH CAROLINA.

High Point—First National Bank; in voluntary liquidation, December 28.

NORTH DAKOTA.

Dunseith—Dunseith State Bank; reported closed.

OHIO.

Leetonia—First National Bank; in hands of Receiver, Frank Michinard, January 8.

Norwalk—Norwalk Savings Bank; closed January 15.

OKLAHOMA.

Coalgate—Choctaw Bank; reported closed.

Hollis—Hollis National Bank; in voluntary liquidation, January 16.

PENNSYLVANIA.

Pittsburg—Traders and Mechanics' Bank; Closed January 21.

RHODE ISLAND.

Providence—New England Trust Co.; in hands of Receiver, January 19.

TENNESSEE.

Brownsville—People's Savings Bank; in voluntary liquidation, December 31.

TEXAS.

Dallas—Western Bank and Trust Co.; reported closed.

Houston—Planters and Mechanics' National Bank; in voluntary liquidation, December 7.

Sagerton—First Bank; in hands of Receiver.

Tyler—Farmers and Merchants' National Bank; in voluntary liquidation, December 30.—Harris Exchange Bank; in hands of Receiver, December 30.

WASHINGTON.

Blaine—Exchange State Bank; reported closed.

WEST VIRGINIA.

Beckley—Citizens' Bank; suspended business, January 22.

WISCONSIN.

Osseo—Citizens' State Bank; reported closed.

CANADA.

NEW BRUNSWICK.

St. Marys—Bank of Nova Scotia; closed.

ONTARIO.

Toronto—Sovereign Bank of Canada; closed.

THE

BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

SIXTY-SECOND YEAR | MARCH, 1908 | VOLUME LXXVI, NO. 3

PROGRESS OF THE WORK FOR CURRENCY REFORM.

SINCE the real character of the Aldrich Bill has been made known to the business interests of the country, the chances of its enactment into law have diminished. At the time this is written the bill is pending in the Senate, and while it appears probable that the measure will pass that body, its defeat in the House seems assured. For a time assertions were boldly made that the bill would be rushed through under some sort of coercion, but as public opinion has begun to make itself clearly understood, the danger of any high-handed proceedings have been brought home to the party leaders.

It never has been plain to anybody not in the secret why extraordinary means should be resorted to in order to pass the Aldrich Bill. No emergency exists requiring large issues of paper currency, nor is such a contingency likely to occur for a long time to come. The bill, if operative at all, would inure chiefly to the benefit of those who have bonds to sell, and it may be that some of the syndicates have loaded up with securities in anticipation of the passage of the Aldrich Bill, and are eager to have the measure passed so that they may be enabled to unload. But they will have to wait.

Undoubtedly the Fowler Bill has gained support as its merits have become better known. It has received substantial endorsement by the Merchants' Association of New York, the Trades League of Philadelphia, and by other commercial organizations.

The Fowler Bill provides for the retirement of the greenbacks, and for the substitution of bank notes based upon coin and commercial paper to replace those now secured by United States bonds. Adequate means for the safety of the notes and for their prompt redemption are also provided. Hardly less important is the provision for depositing public funds in the banks from day to day and withdrawing them by check as needed. Mr. FOWLER's bill also carries with it a plan for guaranteeing bank deposits, and to this proposal there has been considerable opposition. But the growing popular demand for the adoption of some measure that will make all deposits in banks absolutely safe, is unmistakable; and, in some way or other, that demand will have to be met. For ourselves we should prefer to see the safety of bank deposits effected by an improvement in methods of examination and management, and by the exercise of greater discrimination on the part of the public in dealing with banks. It must be admitted, however, that reliance upon these methods in the past has not been altogether satisfactory, which explains the public impatience. The bankers, as a body, are perhaps to blame to some extent. They have been slow, in a great many instances, to insist upon the preservation of a standard of banking that

would have reduced losses by bank failures to the lowest possible minimum. They have not demanded the correction of the admitted defects in government methods of examination, and they have only recently begun the work of making really efficient examinations through the clearing-house associations. This laxity of sentiment among bankers, and the failure to stamp out unsound banking, probably has been quite as effectual in fostering reckless banking as the insurance of bank deposits will be. Whatever objections, upon principle, there may be to the insurance of deposits, very likely the practical benefits to be derived will afford a sufficient compensation.

The essential features of the Fowler Bill---a bank-note currency based upon gold and commercial paper, retirement of the Government demand notes, and the use of common-sense methods by the Treasury in handling the public funds—are worthy of the support of the great productive and commercial interests of the country. The bill is honest, its principles are sound, and it ought to become a law.

The probabilities seem to be, at the time this is written, that the Aldrich Bill will pass the Senate, but not the House. On the other hand, there seems to be no likelihood that the Fowler Bill can pass the Senate. In this situation, the proper policy would seem to be a reference of the matter to the people for their decision. There is no urgent need of currency legislation, particularly if it must be a compromise. Of that kind of legislation we have had too much already. Upon the rotten basis of the Aldrich Bill no sound or acceptable measure can be constructed. There cannot possibly be any compromise with such an unsound and miserable makeshift. The people of the United States want intelligent and honest currency legislation, and they are going to get it. They want legislation, not for the benefit of the banks, much less for the benefit of the bond syndicates, but for the benefit of themselves, and they will get what they want.

The Fowler Bill is sound in principle and seeks to accomplish reforms that are essential to the security and flexibility of our currency and banking system. The bill ought to become a law; but if that is now impossible it should be passed by the House and then placed before the people for their verdict in the approaching national campaign.

For many years THE BANKERS MAGAZINE has stood for these reforms:

(1) Retirement of the greenbacks.

(2) Substitution of coin and commercial paper for bonds as the security for bank circulation.

(3) The use of common-sense methods in handling the receipts and disbursements of the Government. In other words, that the Treasury should use the banks just as business men do.

Whatever may be the outcome of the present attempt to secure the adoption of these reforms, we shall keep up the fight for them with unwearied patience until they become a part of the Revised Statutes of the United States.

EVIDENCE of the danger that lurks in the Aldrich Bill is being brought to light in the hearings on the currency question that have been held for some time by the Banking and Currency Committee of the House. It is realized by experienced bankers that the passage of this bill would excite grave apprehension of our financial condition, both at home and abroad. This feeling was expressed by Hon. LYMAN J. GAGE in his testimony before the committee on February 19. Mr. GAGE said that if he were now a banker he would unquestionably ask to come

under the provisions of the Fowler measure, and would look upon the passage of the Aldrich Bill with dread and apprehension.

This opinion from one of the country's ablest bankers and financiers ought to carry great weight. The passage of the Aldrich Bill will be a notice to foreign bankers that this country has no intention of conducting its financial and banking business on a more conservative basis, but that we intend to keep up high financial operations and to indulge in another speculative debauch at the first opportunity and then rely on the device of an "emergency currency" (that is, on a flood of paper "money") to help tide us over the panic which our excesses will surely bring on. This policy is immoral, cowardly and weak. We do not need "emergency" currency. We want a sane, safe and honest currency and banking system, operative at all times and under all circumstances. Real emergencies—those consequent upon war, earthquake, fire, flood, etc.—can be handled by the bankers in the future as they have in the past: Witness the splendid heroism of the banks of Chicago, Boston, Baltimore and San Francisco. So-called "emergencies" caused by rampant speculation, or precipitated by unsound banking, may be rendered less frequent and severe, or possibly be prevented, partially or wholly, by a good currency and banking system and the enforcement of more prudent business methods. But should these pseudo-emergencies occur, even with the adoption of the measures indicated, they will be merely the penalty that inevitably follows the infraction of sound principles.

The passage of the Aldrich Bill would be notice to the world that we do not mean to correct the evils of our currency system, but that we mean to perpetuate them and to plunge still deeper into the quagmire of unsound currency. That policy will hurt every farmer, every manufacturer, every merchant and every business man in the United States. So far as currency laws have any influence at all on the prices of our securities, the Aldrich Bill, if it becomes a law, will tend toward weakness. It will not, in the long run, help the very class of securities it is designed to benefit.

By passing the Aldrich Bill the United States will virtually say to the world: "Yes, we have been getting drunk financially; and we do not intend to reform, but go on with the spree, for we have provided for an unlimited supply of stimulants in the shape of paper 'money.'"

We seek to raise no alarmist cry, but in all seriousness would warn the country what the passage of the Aldrich Bill means. If that measure becomes a law, it will be a sowing of evil seed from which a harvest of distrust and disaster will follow, as the night the day.

DEPOSIT insurance continues to be a live question. The charge that such insurance would be an incentive to reckless banking hardly seems to be susceptible of proof. It must be remembered that while if deposits were insured it might enable the fly-by-night style of bank to obtain deposits in competition with an institution of well-established reputation, when the recklessly-managed bank failed, the penalty would fall just as heavily upon its shareholders as if there had been no deposit insurance.

After all, are banks managed, primarily, in the interests of depositors? To think so would be to give the average banker credit for more altruism than he possesses. Banks are run on principles no more nor less selfish than those governing other kinds of business. A grocery or dry goods store is not run

for the public benefit, but for the owners' profit. And the same is true of a bank.

It is also true, in the case of a bank, that if the stockholders' interests are carefully watched, the depositor is not apt to suffer; for it is the depositor who is the first creditor to be satisfied and the stockholder the last.

We believe that the fear of losing their original investment together with any additional surplus that may have accumulated, and the possibility of standing an assessment equal to the par value of their shares, will continue to be a strong deterrent of reckless banking, even if a law shall be passed providing for the insurance of bank deposits.

Through the courtesy of Mr. C. LOMBARDI, the accomplished editor of the "Dallas (Texas) News," we have received copies of that paper containing several articles from Mr. LOMBARDI's pen strongly favoring the insuring of bank deposits. His views are presented with great clearness, force and earnestness. Regarding the assertion that the insurance of deposits would encourage reckless banking, he aptly says that nobody seems to have objected on this score to the Government's requiring that all deposits made by it in the banks shall be absolutely insured.

This whole line of argument against insuring deposits probably rests upon a mistaken assumption—that it is a regard for the depositors' safety rather than for the shareholders' profit that a bank is prudently managed. We do not seek in the slightest to minimize the importance of that sense of fidelity to trusteeship which is one of the noblest as it is one of the commonest attributes of the American banker. But there is the same duty owing to the shareholder, and the interests of the latter are bound up with those of the depositor. Actually, however, banks are established and run for profit—not merely to take care of people's money and return it to them on demand—and if a bank is found to be lending on poor security, or violating the laws, it runs the risk of being closed and its stockholders' profits will all be swallowed up in making good the losses sustained. The fear of such a contingency is what will always constitute the strongest check on unsound banking.

There seems to be more merit in the contention that deposit insurance will take away from the old-established bank some of the pre-eminence it has gained, since deposits will be equally safe in a new bank whose reputation is unknown. That is a hardship and injustice tending to weaken the comparative strength which ought always to belong to the bank of greatest age. Whether the compensations are sufficient to overcome this objection will be answered affirmatively or negatively, according to the point of view.

It is believed that the best way to insure deposits is by good management. With our system of scattered, independent banks, this ideal is not always attainable. In fact, while bank failures are somewhat exaggerated, they are altogether too common, and the loss and distrust they cause are far-reaching in their effects. Some remedy will have to be found. Better examination, like that being adopted by some of the clearing-houses, might do much. But there is a growing impatience with the delay in providing more adequate safeguards, and the popular distrust of the efficacy of examinations is widespread.

From a letter received from Mr. LOMBARDI, we quote:

"Speaking for this part of the country, nothing has ever happened so demoralizing to depositors and so hurtful to the banks and to business interests as 'putting on the lid' during the recent unpleasantness—that is, putting

restrictions on customers getting their money when needed. Thousands of depositors, especially among the farmers, now swear that they will never put another dollar in a bank. They may change their minds—I hope they will—but such is the feeling just now."

This distrust of banks may easily become chronic and more or less general. Insurance of bank deposits may or may not be the right way to counteract this distrust. But the proper remedy should be earnestly sought.

ONE of the fundamentals of any plan for currency reform that may be adopted was admirably stated by Mr. FRANCIS B. SEARS, vice-president of the National Shawmut Bank of Boston, in an address before the Boston Boot and Shoe Club, on the evening of February 19. After accurately defining the course of recent financial events, and explaining the various proposals for currency reform, Mr. SEARS said:

"Whatever the final verdict may be, whether for a central bank or for an issue of currency by the present banking institutions through the agency of clearing-house districts or otherwise, the machinery should remain in the hands of the business community and not be entrusted to Government officials. The banks are simply the agents or tools of the business men. The directors of the banks are business men. The banks are dependent on the good-will of business men for their success. Government officials should see that the affairs of the banks are honestly administered and the laws obeyed. There the Government duties should begin and end."

It would be impossible for Government officials, or for any board that might be constituted, to perform the service referred to as satisfactorily as the banks, and for the reason so well stated by Mr. SEARS—that the banks are the agents of business men and managed by them. No one else can have the knowledge essential to the control of the issue of bank notes except those who are in daily touch with the business community. We have already seen the ill effects consequent upon the attempt of the Secretary of the Treasury to regulate the money market. There are bills pending in Congress proposing to extend the regulation of the supply of bank notes to the Secretary of the Treasury or to a board of Government officials. Such proposals are wrong, because the Government officers do not have that relation to business which alone makes it possible to regulate this matter. That can be done by bankers and by bankers only, and precisely for the reason that, by reason of their position, they have that knowledge which the Government must lack.

A BILLION of gold in the United States Treasury! That was the announcement which recently came from Washington, accompanied by sundry complacent expressions indicating the belief that the piling up of such a huge stock of gold was an achievement to be regarded with great satisfaction.

The use of gold coin as bank reserves is necessary to prevent inflation, and to assure the convertibility of notes and checks into coin. Gold certificates may also be used, for reserves, and perhaps more economically, as the loss by abrasion is avoided. But the use of gold coin or certificates for purposes of actual circulation involves needless expense. As has been well said by a recent writer ("Can There Be Too Much Gold," by Charles A. Conant, in March "Putnam's and the Reader"): "Other things being equal, the nation which can get along with the least gold in propor-

tion to her needs is obtaining the largest results from her industry and her equipment of machinery and other productive forces."

Great Britain has learned how to economize the use of gold by employing bank checks. In the United States the accumulation of a huge stock of gold is regarded by many as indisputable evidence of our financial superiority. Careful investigation of all the aspects of the subject might cause some modification of that view.

LACK of employment for the working people of the country constitutes one of the most painful features of a depression like that through which we are now passing. That large numbers of laborers are now idle is all too plainly evidenced by the daily reports in the newspapers and by statistics, so far as the latter have been compiled.

This enforced idleness among the wage earners of the country must, in the course of time, react upon business of all kinds, for if people cannot get work their ability to buy goods must be lessened, and those who produce and sell goods must feel the effects of this lessened purchasing power on the part of the wage earners.

The causes of these periodic crises, with their attendant shocks to business and enterprise and the widespread distress attending them, are worthy of careful study. High finance, imperfect currency and banking systems, speculation, etc., etc., all perhaps are responsible to a certain extent, but the indictments against these evils are not altogether convincing. Were all of them cured, is it certain that we should have no more panics and depressions?

Whatever the actual causes of these disturbances may be, it seems that in a perfectly sane community financial and commercial panics ought not to occur. The phantoms which ignorance and superstition once conjured up to frighten mankind have disappeared before the dawn of awakened intelligence, but in the financial world the hobgoblins still exercise their potent spells. We pity our poor, deluded forefathers for their belief in witchcraft, but we listen with gaping mouths of admiration to a "statesman" whose economic theories are as barbarous and silly as any delusion that ever darkened the human mind.

Education in the laws of business, enabling one to gain a knowledge of sound principles derived from experience, is probably the only remedy that will ever prevent panics, or at least so mitigate their baneful effects as to rob them of most of their terrors.

ANDREW CARNEGIE, the munificent dispenser of libraries, at a recent dinner of the Economic Club in New York had the following to say:

"We have not only the worst banking system the world ever saw, but also the worst system that any body of men could conceive of."

Is this not laying it on a little too thick? There are a number of admitted faults in our banking system. The method of issuing circulation is faulty, and there are altogether too many bank failures. But with these and other imperfections that might be cited, the American banking system is far from being the worst in the world. On the contrary, it may well be doubted whether the remarkable progress this country has made could have taken place in the same length of time but for the freedom with which the banking business is carried on in the United States. The small country bank, intensely interested in the development of its own locality, has been a powerful instrumentality in building up the wealth of this country. He who sneers at these institutions or

criticises them harshly bases his opinion either upon prejudice or inaccurate knowledge.

Mr. Carnegie further said:

"No man in his senses would ever have conceived the idea of strengthening our bonds by compelling the banking capital to buy them. * * * Imagine a nation that gives as security for its circulation its own debt!"

Was Alexander Hamilton out of his senses when asked what we should do with our public debt, and he replied, "Bank on it?" And we do not have to exercise the imagination at all to find a nation using its debt as a basis for its circulation. Great Britain does that, to an extent at least, nor is this example the only one that could be shown. In fact, the expedient is one of the oldest currency tricks known.

We are sorry to see Mr. Carnegie wandering aimlessly about through devious financial paths, but are glad to note that he at last reaches safe ground, as he does in stating:

"We shall never have a good system until we follow the example of all other nations and found our currency upon trade bills, which act automatically."

This is correct, except that "all other nations" (notably Great Britain) have not done this, though we hope they may after reading Mr. Carnegie's speech.

TAXATION is a subject in which the banker is perennially interested, and the changes made in the law from time to time render it difficult for the banks to be sure, for any considerable period, of what they may expect.

For the present, at least, the method of taxing banks in the State of New York seems to be settled.

We publish in this issue the decision of the Court of Appeals of New York upholding the validity of the New York statute which imposes a tax of one per cent. upon the stock of national banks located in the state. This statute was the result of a long and earnest effort to secure a less onerous burden of taxation for the banks, and was agreed to by them as a compromise measure. Had the statute been declared invalid, as contended by the stockholders in this case, the banks would have been again taxed under the system which formerly prevailed, and from which they were glad to escape.

ANOTHER illustration of the bad features of the present Sub-Treasury system was afforded by the announcement, on February 24, that the Secretary of the Treasury would withdraw $35,000,000 of public funds on deposit with national banks.

While the Secretary's action is undoubtedly wise, since a plethora of money was to be expected as the natural consequence of the recent panic and its subsequent period of depression, the manner of correcting this redundancy is to be deplored. We are still too little removed from the recent monetary stringency for all recollection of it to be banished from the popular mind. Any untoward circumstance might easily bring on a fresh outbreak of fear and panic. The withdrawal of $35,000,000 of public deposits from the banks may cause a reduction of loans amounting to several times the sum named. But the withdrawal of public deposits from the banks would probably check the advance in the foreign exchange rate toward the gold-export point, and thus effect a reduction in the circulation by locking up money instead of by exporting it. This is a foolish proceeding, but we got the idea from Van Buren over sixty years ago and have never been able to get rid of it since.

The Secretary will take the money from the banks in installments, so as to

cause the least possible disturbance. Manifestly, if the method of handling the public deposits were in accord with the simplest principles of common sense, there would be no possibility of disturbance. The excess of receipts from day to day would be placed in the banks, just as a business man makes his deposits, and when the Government wanted to make payments, it would draw checks, just as individuals do. There would be no blowing of trumpets about it—no "scare-heads" in the newspapers, announcing "Call on Banks for $35,000,000," or "Treasury Will Relieve Banks" (as the case may be).

In justice to the Secretary of the Treasury, it should be stated that he is not responsible for the present system of handling the public funds. It is an inheritance from the days when JACKSON destroyed the Bank of the United States, and was devised to meet the delinquencies of the "pet banks" in failing to respond when called on for the public funds deposited with them.

The existing crude and clumsy methods employed by the Treasury in dealing with the banks cannot much longer withstand intelligent discussion. We have had such glaring exhibitions of the pernicious results of our stupid system of handling the public funds as to render the delay of reform unthinkable.

COMMERCIAL organizations are showing a lively and intelligent interest in the bank-note question. This is a hopeful sign. Wily politicians may pull the wool over the eyes of many classes of voters, but the solid business men of the country have a way of probing to the bottom of things which is calculated to make it very uncomfortable for those who attempt deception. Mr. BRYAN, for instance, when he declares asset currency to mean "a no-cent dollar," may encounter some business man who will ask him what he means by such a statement. It will be pointed out to the perennial Presidential candidate that a bank note is the obligation of a bank; that the obligation of any bank, so long as the bank is a going concern, is worth 100 cents on the dollar; that the notes are never issued except in exchange for some other representative of value; and, finally, that nobody has proposed the issue of asset notes without providing for security that will always make them worth their face value in gold coin.

The commercial interests of the country and the farmers are more deeply concerned in this bank-note question than the banks themselves are. Banks can adjust their business to almost any kind of a currency system, and indeed they often make profits by taking advantage of the fluctuations caused by unsound currency systems. As is well known, where countries are on the silver standard, the banks make a snug profit out of buying and selling exchange.

But these uncertainties which bankers know how to turn to their benefit are the cause of great injury to production and trade. A reasonable degree of stability in regard to the currency, the tariff, etc., is highly desirable in carrying on extensive operations in manufacturing and merchandising, and is also beneficial to all the productive enterprises of the country. Commercial organizations are awakening to the dangers that are threatened by the passage of the Aldrich Bill, which seeks to base the country's bank-note circulation on bonds instead of on commercial paper. Excellent work against the passage of this vicious measure and in favor of a credit currency is being done by the Merchants' Association of New York under the able leadership of Mr. EDWARD D. PAGE, chairman of the committee having the matter in charge.

Work along the same line is being done by the Philadelphia Trades League and other business organizations. All that is necessary to secure absolutely sound legislation on currency and banking is to awaken the commercial interests to the needs of the country. There are many signs that this awakening has already begun.

BOND borrowings by the national banks have become an important feature of banking in recent years. Where a bank wishes to increase its circulation, or to procure public deposits, and does not happen to have the bonds which must be pledged with the Treasury, and finding the market price of the bonds too high to make the transaction profitable if the bonds must be bought, resort is had to borrowing. Bond dealers, savings banks or private holders may have "Governments" which they are willing to lend to national banks for a consideration. Ordinarily, no difficulty arises in securing the return of the borrowed bonds when the borrowing bank is through with them. But where a bank borrows bonds and afterwards fails, some trouble may be experienced by the lenders. For the bonds have passed out of the hands of the bank borrowing them and have been pledged with the Treasury as security for circulation or deposits, as the case may be, and the firmness with which the Treasury will retain its grip on the securities until all conditions of the pledge are fulfilled is absolute.

Mr. ROCKEFELLER is said to have lent some bonds to one of the New York banks when it became embarrassed in the late stress. When the bank failed, it was reported that the Standard Oil magnate's calls for the return of his bonds was no more productive of immediate results than Hotspur's summoning of spirits from the vasty deep. No doubt, in the long run, Mr. ROCKEFELLER got his bonds back.

This whole proceeding of borrowing bonds to secure circulation and public deposits is comical, if not silly. If the Government had any faith in the corporations it has created, no pledge would be required to secure public deposits; and if the banks were allowed to secure note holders as they do depositors, no bond security need be required for the circulating notes. In both cases, by the adoption of the simplest precautions, no question of safety could ever arise.

NATIONAL banks have been compelled to resort to various expedients in order to overcome the restrictions imposed by the National Banking Act. A national bank may not lend money on real estate, but this prohibition does not seem to apply to loans secured by bonds which are, in turn, secured by the real estate mortgage. National banks may also take real estate mortgages as security for "pre-existing debts"—a term that may be made sufficiently elastic to suit almost any case. Beyond the necessary requirements for transacting their own business, national banks are not permitted to own real estate (except such as may be acquired in payment of debts due the bank, and even this may be held for a limited time only). To avoid breaking this provision of the law the bank usually organizes a building company whose shares are held by the bank's stockholders.

Many of the functions performed by trust companies could be safely and profitably performed by the national banks, but such business is not authorized by the banking law. It may be that the restrictions of the National Banking Act, whose aim was to confine the national banks to a commercial business purely, were wise enough at the

time when they were adopted, but considering the changes that have taken place in the methods of transacting business since the law was enacted, and seeing that the banks have, in one way or another, found a way in which they can circumvent these restrictions, it would seem to be time to remove them, and thus enable the banks to do legally what they are now doing, not by breaking the law exactly, but by making respectful circuits around it.

There is no greater danger in permitting national and state banks to organize a trust company department as a part of the bank, than to allow these institutions to establish separate companies which they practically own. It may be claimed that a bank with trust company functions would become entangled with promotion schemes and would put too much of its resources in fixed investments. But a banker who is disposed to commit these errors will not find himself prevented by the present legal restrictions. Banks do not keep solvent for lack of opportunity to become insolvent; the character of their management is the controlling factor. Legal restrictions are wise and necessary, but it is not essential that the banks as a whole should be prohibited from engaging in safe and profitable business simply because a few reckless or criminally disposed bankers might, if banking powers were enlarged, take advantage of the freedom thus conferred. The benefit to the banks and to the community by a safe extension of the functions of the banks far outweighs the dangers to be feared from this source.

ONE of the latest examples of the lack of adaptability of the National Banking Act to meet changing requirements is afforded by the action of the First National Bank of New York in forming the First Security Company, with a capital of $10,000,000, to acquire and hold real estate, securities, stocks, etc., now owned by the bank. By adopting this plan the bank named secures greater freedom of action, and removes any possible criticism on the ground of infringing the law. As the present stockholders of the bank will own the stock of the new company, the bank will really get all the accruing profits.

A somewhat similar action was taken by the First National Bank of Chicago a few years ago in organizing the First Trust and Savings Bank.

The banks that have formed these collateral organizations are among the strongest institutions of the country. In taking this step they have doubtless wished to secure greater latitude for their operations and at the same time to conform to the letter and spirit of the law.

There are many smaller banks, however, that would like to extend the scope of their business, but can hardly afford to organize an independent bank or company, which would only be a cumbersome and expensive addition to their machinery. Where a national bank of moderate size desires to conduct a savings and trust business, the best way is for it to organize such departments, which ought to be absolutely separated from the bank's commercial department. If the National Banking Act were amended so as to sanction the organization of such departments, throwing adequate safeguards around them, the efficiency of the national banks as servants of the business community would be greatly enhanced, and much of the friction between national banks and trust companies would disappear.

The trust companies have not confined themselves to trust company functions. They have entered the domain of commercial banking, and they must

expect the banks to reciprocate by demanding that trust company powers be conferred upon them.

Theoretical objections may be raised against the intermingling of these different kinds of banking, but the practical statesman finds himself compelled to deal with conditions as they exist, whether they are as he would have them or not.

In speaking of the Aldrich Bill, "Harper's Weekly" says: "The provisions of the Aldrich Bill are simple." Truly they are. What else could we expect? Do we gather grapes from thorns or figs from thistles? Could the guileless minds that prepared the Aldrich Bill be the authors of anything not childlike in its simplicity?

Again, says the "Weekly": "Now, it is as certain as human facts can be that we must continue for some time to come to have a bond-secured currency." This is a safe prophecy; "for some time to come" is a very elastic term. But we will make another prediction: *Whenever the American people are thoroughly informed as to the respective merits of a bond-secured currency and one based upon coin and commercial paper, they will make short work of the bond-secured currency.*

But we pass on to consider another of Col. HARVEY'S nuggets of financial wisdom. Further describing the Aldrich Bill, he says: "The bill provides for as elastic [*sic*] a currency of this kind as can be desired, as follows: First, the banks are to suggest the necessity of emergency currency to the Comptroller of the Currency. Second, this suggestion is to be transmitted to the Secretary of the Treasury, who is to approve it if in his judgment business conditions require the increase, and is to fix the amount of the issue and the time when it is to be made."

What a wise provision that is which makes the Secretary of the Treasury the one to decide whether more currency ought to be issued or not!

How can a lot of bankers who have only spent ten, twenty, thirty or forty years in dealing face to face with their customers possibly know anything about business in their respective localities? What do they know as to whether more currency is needed or not? That can only be decided at one place—Washington—the financial center of the country, and by one man—the Secretary of the Treasury—the source of all banking and financial knowledge. When we have such a fount of wisdom to which all may repair, who would have the hardihood to suggest that such youngsters as SEARS and ALDRICH of Boston, LOWRY of Atlanta, VAN SLYKE of Madison, YATES of Omaha, FORGAN of Chicago, HEPBURN of New York, and the other multitude of boyish bankers, should be relied on to decide about a mere banking question like the issue of bank notes? What qualifications have these men for reaching wise conclusions except such as come from lifelong study and experience? Shall we listen to the counsels of experience, when for a song we may have divination for our guide?

We shall make but one more quotation from "Harper's Weekly":

"We can obtain a remedy by passing the Aldrich Bill; we cannot afford to go without the remedy. Are we willing to be so absurdly unpractical as to do without what we need because we cannot secure the gratification of our ideals?"

After reading this we do not need to look at the top of the editorial page to learn that the "Journal of Civilization" is no longer edited by GEORGE WILLIAM CURTIS or CARL SCHURZ.

DANGEROUS proposals are being made in Congress for amending the National Banking Act, and it will be necessary for the bankers of the country to be vigilant, if the passage of unsound measures is prevented. Here is a sample of what is being proposed. On February 6, Senator JOHNSTON of Alabama introduced the following amendment to the Aldrich Bill:

"That on and after January 1, 1909, two-thirds of the reserve required by law of national banks shall be kept in their vaults either in the funds now required by law or in bonds named in this act. Provided, that not more than one-half of the reserve required to be kept in the vaults of such banks shall be in such bonds."

This would further weaken the already "watered" bank reserves. What would have been the result if the banks had held part of their reserves in bonds in the late panic? In order to get cash, the banks would have tried to sell their bonds, but it is doubtful if they would have succeeded.

Experience would seem to point to the necessity of strengthening the bank reserves of the country. This could be done most effectually by requiring the banks to keep all their reserves in their own vaults, and in gold coin only.

THAT Mr. BRYAN continues to be an utterly unsafe leader on financial and banking questions is clearly shown by the following quotation from his speech before the recent meeting of the Economic Club of New York city:

"I am opposed to any increase in the banks' control over the currency of the nation. If those who desire an elastic currency are willing to have the elasticity controlled by the Government and the notes issued by the Government, there will be no difficulty in agreeing about the security."

Had Mr. BRYAN given any serious study to the bank-note currency problem he would realize that the Government can not possibly furnish an elastic currency, and would realize the truth of GARFIELD's assertion that "There never did exist on this earth a body of men wise enough to determine by any arbitrary rule how much currency is needed for the business of a great country."

Mr. BRYAN ought to object to the butcher-shops "controlling" the country's supply of meat.

MUCH curiosity has existed as to the real author of the Aldrich Bill. Few had believed that it was designed by the Chairman of the Finance Committee himself. Among the bankers who might be thought willing to stand sponsor for the measure, there has been shown a surprising eagerness to wash their hands of any responsibility for it whatever. But it can no longer be regarded as a *nullius filius*. HENRY CLEWS, the veteran Wall Street banker, not only acknowledges himself to be the parent of the bill, but seems to take a pride in his much-abused offspring. In an address at the annual meeting of the Pittsburgh Chapter of the American Institute of Banking, on the evening of February 25, Mr. CLEWS said:

"I am strongly in favor of the Aldrich measure as a panic remedy; naturally so, as I originated the fundamental part of it."

We have thought all along that the Aldrich Bill looked as if it had been born within the shadow of the New York Stock Exchange. It bears the earmarks of Wall Street. This is not the language of prejudice, but of truth. If we were to have an emergency currency at all, some consideration should

have been shown for the South and West, where such currency is most likely to be needed. The Aldrich Bill does not do this. It proposes to base the emergency currency upon bonds—the kind of securities held by the East and by the big banks, making no provision for using commercial paper—practically the only kind of security held by the banks of the West and South.

Mr. Clews, however, regarded the Aldrich Bill as only an emergency measure, and favored a thorough revision of the bank-note system as soon as practicable.

IT has been proposed to insure deposits in banks by making directors individually liable, to the extent of their personal fortunes, for losses sustained through their negligence. Since this negligence is almost the sole cause of bank failures, it would seem only just that it should be discouraged by proper penalties.

A proposal of this character will be objected to at once on the ground of its apparent harshness. But actually it would only apply to cases where there was a plain neglect of duty. The director who means to direct, and who does direct, would have nothing to fear. If the other kind of directors were frightened into resigning, the banking business would be the gainer.

To hold the guilty responsible for unsound banking is not so paternalistic as a blanket form of Government guaranty of deposits in all banks, however badly the bank may be managed; but it seems, on first sight at least, to be more sensible and just.

BANKS have experienced considerable annoyance of late owing to the circulation of false rumors about their condition. More than one instance has been reported where some one has called up depositors of certain banks on the telephone and asked them if they knew that the bank in question was shaky. Coming in this manner, it has been impossible to trace the origin of the malicious rumors. Others have been more open in their attacks and have even written letters about the banks against which they had a real or fancied grievance.

It has been found that the laws in some states are not strong enough to provide adequate punishment for those who seek maliciously to injure a bank's reputation. The standing law committee of the American Bankers' Association has taken up the matter and will endeavor to have the state laws strengthened where necessary and a suitable amendment of the National Banking Act adopted.

THE "red dog" currency of the old state banks was based on substantially the same character of bonds as those provided in the Aldrich Bill as the basis for circulating notes. It was a bad kind of security then and now.

WILD-CAT currency was bond-secured. So is that provided for in the Aldrich Bill. The character of the securities have improved since the ante-bellum days, but the principle remains as bad as ever.

THE passage of the Aldrich Bill will be a signal for distrust of American financial policies equal to anything that this country has witnessed since it was menaced by the danger of free silver. That will be a heavy price to pay for providing a market for the securities with which some of the bond syndicates are now loaded.

THE BATTLE FOR CURRENCY REFORM SINCE 1896.

By Charles A. Conant.

THE necessity for new banking legislation was first brought prominently to public attention in the crisis of 1893. President Cleveland in his annual message of December 3, 1894, referred to the subject, and it was presented to committees of Congress by Secretary Carlisle. The Secretary's plan followed in principle that of the American Bankers' Association, known as "the Baltimore plan," which was adopted at Baltimore on October 18, 1894.

The banking question was overshadowed, however, for the moment by the determined effort of Southern and Western Democrats and the silver-mining interests to secure free coinage of silver. Against stubborn resistance in the East and a sharp contest in the Southern States, the silver element secured a majority of the delegates to the Democratic National Convention and adopted a resolution demanding "the free and unlimited coinage of both silver. and gold, at the present legal ratio of 16 to 1, without waiting for the aid or consent of any other nation." Upon this platform Mr. William J. Bryan was nominated for President, and Mr. Arthur Sewall of Maine for Vice-President. A large number of delegates from the East refused to be bound by the declaration for free silver and subsequently, in September, 1896, with other Democrats who were opposed to the free coinage of silver, held a convention at Indianapolis, which was notable for the presence of a majority of the historic leaders of the party in many of the states. This convention nominated Palmer and Buckner.

So serious was the discontent existing among the masses, however, with existing conditions, and so strong was the drift towards silver, that eventually most of the so-called "gold Democrats" voted for the Republican candidates, William McKinley of Ohio, and Garret A. Hobart of New Jersey. It was doubtful up to the last moment before the meeting of the Republican Convention how positive would be the Republican endorsement of the gold standard, but ultimately the committee on resolutions agreed upon a declaration that until an international bimetallic agreement was attainable, "the existing gold standard must be preserved." Upon this platform the Republican candidates were elected, having an immense popular majority east of the Ohio River and north of the Potomac, but a large adverse majority in the remaining states taken as a whole.

Continued Demand for Monetary and Banking Reform.

The election of Mr. McKinley as President did not check the demand for radical reform in the monetary and banking system. This demand dealt with three branches of the subject—the affirmation of the gold standard, the retirement of the Government notes, and the adoption of a more flexible bank-note currency. In order to crystallize the sentiment of the business community, a movement was inaugurated in Indianapolis to call a general convention of representatives of chambers of commerce and other commercial bodies to deal with the subject. The chief mover in this step was Mr. Hugh H. Hanna of Indianapolis, and he became chairman of the executive committee which was charged with carrying out the purposes of the convention. A large convention was held in Indianapolis in January, 1897, which authorized the executive committee to appoint a Monetary Commission to deal with

the subject, if such a commission was not appointed during the existing session of Congress. President McKinley sent to Congress a message recommending the appointment of a commission, but it was not acted upon. Thereupon the Indianapolis Executive Committee appointed a commission of citizens, composed of T. G. Bush, of Alabama; W. B. Dean, of Minnesota; Ex-Senator George F. Edmunds, of Vermont; Charles S. Fairchild, of New York, formerly Secretary of the Treasury; Stuyvesant Fish, of New York, President of the Illinois Central Railroad; J. W. Fries, of North Carolina; Louis A. Garnet, of California, formerly Director of the Mint; Professor J. Laurence Laughlin, Professor of Political Economy at the University of Chicago; George E. Leighton, of Missouri; C. Stuart Patterson, of Pennsylvania; and Judge Robert S. Taylor, of Indiana.

Report of the Monetary Commission.

This commission completed its report in December, 1897. A comprehensive plan was presented for dealing with each of the three essential elements of the problem. Gold was made the standard, all obligations of the United States were made payable in gold, and to carry out these declarations a separate division was created in the Treasury to be called the Division of Issue and Redemption, which was to be the custodian of the gold reserve. It was provided that the reserve should be maintained at twenty-five per cent. of the aggregate amount of United States notes and Treasury notes, then amounting to about $453,000,000, and also at five per cent. of the outstanding silver dollars, then amounting to $455,000,000. The Secretary of the Treasury was given authority to maintain this reserve by the issue of three per cent. bonds. In order to prevent encroachment upon the reserve funds to meet temporary deficiencies in the revenue, certificates of indebtedness were authorized, payable in from one to five years. In order gradually to retire the Government paper it was provided that United States notes and Treasury notes should be cancelled at once to the amount of $50,000,000 and afterwards such further amounts as should not exceed the increase in national bank-note circulation.

The reform of the bank-note currency was provided for upon a gradual scale extending over nine years. The amount of bonds to be required to secure bank notes was reduced to twenty-five per cent. of the capital of a bank, and at the end of five years this requirement was to be reduced by one-fifth annually. Thus circulation was gradually to be relieved from relation to the bonds, but it was to be protected in the case of failed banks by a guaranty fund, made up at first of a deposit in gold coin of five per cent. of the amount of the notes issued and afterwards maintained by a graduated tax on circulation. This tax was not to be imposed, except at a nominal rate, upon notes up to sixty per cent. of banking capital, but was to be at the rate of two per cent. upon the next twenty per cent. of notes, and six per cent. upon notes in excess of eighty per cent. of capital.[1]

A bill carrying out this plan was introduced in Congress and was the basis of a measure reported by Representative McCleary of Minnesota in June, 1898. A petition to the Speaker of the House, asking consideration of this measure, was signed by 146 of the 206 Republican members of the House; but it was late in the session when this stage was reached, and upon the promise of President McKinley that the subject should be taken up with the party leaders at the following session of Congress in December, further effort to secure action was postponed

[1] Preliminary Report of the Monetary Commission, 49-58. This report was also printed substantially in full in "Sound Currency," January 1, 1898, V. 1-16. The work of the Commission was explained in an article by Mr. Fairchild, one of its members, in the "North American Review," for February 1, 1898, also reprinted in "Sound Currency," Feb. 1, 1898, V, 25-32.

until that time.[2] A Republican caucus of members of the House, held in February, 1899, authorized the appointment of a committee by its chairman to frame a measure before the meeting of the next Congress in December, 1899. This committee met at Atlantic City in April, while the Republican members of the Senate Committee on Finance met during the summer, and each presented a measure early in the following session. In the House the caucus bill was passed on December 18 by a vote of 190 to 150. In the Senate action was somewhat more deliberate, but a measure was passed on February 15, 1900, by a vote of 46 to 29. A conference was held on the differences between the two measures, and out of this conference emerged the Gold Standard Act of March 14, 1900.

The Act of 1900 did not essentially change the basis of the bank-note currency and did not provide for retiring the Government notes. In establishing the gold standard, however, and providing for its maintenance, it followed in the main the lines laid down by the Indianapolis Commission, except that it failed to provide for the redemption of standard silver dollars in gold.

A Division of Issue and Redemption was established in the Treasury, in accordance with the Indianapolis plan. The gold reserve was definitely fixed at $150,000,000 and was to be maintained, if necessary, by the sale of three per cent. gold bonds. All the bonded obligations of the United States were made payable in gold. The Treasury notes of 1890, issued under the Sherman Law, were to be cancelled when received at the Treasury, and silver certificates were to be issued in their place. Limitations were imposed upon the denominations of paper currency, with a view to converting silver certificates into denominations below $10, and the greenbacks into notes for $10 and higher denominations, leaving the minimum denomination of gold certificates, as under previous law, at twenty dollars.[3]

Bond-Secured Circulation Perpetuated.

Some important changes were made in the banking law, but they were not of the character desired by the Indianapolis Commission. They tended rather to perpetuate and encourage the existing system of bond-secured circulation by providing for converting all the old types of bonds, except the four per cents. of 1925, into a new issue running for thirty years and paying only two per cent. The old bonds, where they had not matured, were to be drawn into the Treasury by the offer to exchange them for an amount in new two per cent. bonds equivalent to their market value. The effect of this provision was to increase the circulation obtainable upon a given investment in bonds, because a larger amount in two per cents. could be obtained than in bonds selling at a higher premium. Another provision directed to the same end was that the tax on notes secured by two per cent. bonds should be one-half of one per cent. per annum, instead of one per cent. Still another step designed to perpetuate the bond-secured circulation by making it more attractive to the banks was to allow notes to be issued to the par value of the bonds deposited instead of to only ninety per cent. of par.

Stimulation of the Bank Circulation.

Under the stimulus of these provisions of law a new direction was given to the movement of national bank-note

[2]It is declared by Mr. Hepburn that "The Spanish War, which occurred at this time (1898), united the patriotic support of the country in favor of the administration. Republicans no longer entertained any doubt of McKinley's re-election and assumed a bolder attitude in favor of the gold standard." "The Contest for Sound Money" 400.

[3]The great demand for small notes arising in the period of business expansion which culminated in 1907 led to a modification of these provisions, by which the minimum denomination of gold certificates was reduced to $10, and authority was given to the Secretary of the Treasury, whenever he deemed the supply of small silver certificates insufficient, to issue United States notes of the denominations of $1, $2, and $5, in substitution for larger denominations to be cancelled.—Act of March 4, 1907, Sec. 2.

circulation. It had shown a declining tendency prior to 1892, which was checked to only a moderate degree in the next few years by the demand for currency and by the issue of several new classes of bonds. The circulation stood on March 1, 1900, shortly before the passage of the new law, at $249,516,227. With the advantages afforded by the new two per cent. bonds, the reduction in taxation, and the privilege of issuing to par, circulation increased by about $90,000,000 before the close of the year 1900. The increase was less rapid for a time, but again attained momentum in 1903, and went on, almost without interruption, until the reaction in the spring of 1908 from the panic of 1907. Old bonds were exchanged rapidly for the new two per cents. and there was a steady tendency on the part of national banks to draw bonds from the hands of private investors because of the small return paid upon them.[4]

Another important feature of the Act of 1900, which contributed in some degree to increase the new circulation, but still more to increase the number of national banks, was the reduction of the minimum capital required to create a national bank from $50,000 to $25,000. Many institutions already in existence availed themselves of this provision to enter the national system. From March 14, 1900, to October 31, 1907, the number of banks admitted to the national system with a capital of less than $50,000 was 2,389, with total capital issues of $62,312,500; but of these only 1365 were primary organizations, with total capital of $35,105,500, the remainder being conversions and reorganizations of state and private banks.[5]

The increase of circulation was stimulated to some extent by the issue of three per cent. bonds in 1898 to the amount of $198,792,660 to meet the expenses of war with Spain; but these issues had been out only about a year and a half when the Act of March 14, 1900, permitted their conversion into two per cents. By an Act of June 28, 1902, Congress authorized the issue of $130,000,000 additional in two per cent. bonds for the construction of the Panama Canal, and of these $30,000,000 was issued in July, 1906, and $24,088,040 in December, 1907. These increases in the public debt were offset by the redemption of maturing four per cent. bonds in 1907 to the amount of about $61,000,000;[6] but the fact that the bulk of the debt was now in the form of two per cent. obligations made the banks the chief holders of the bonds and promoted the upward movement of note circulation. The influence of all these factors—increase in the debt, conversion of old debt into two per cent. bonds, more favorable conditions for issuing circulation, and facility for creating small banks—may be traced in the following table of national banking progress from 1896:

NATIONAL BANKING PROGRESS.
1896-1907.

Oct. 31.	No. Banks.	Capital.	Circulation.	Two per cent. bonds to secure Circulation.
1896	3679	$658,304,915	$234,984,444	
1897	3617	638,015,295	230,131,005	
1898	3598	624,552,195	239,629,136	
1899	3601	608,528,045	243,066,624	
1900	3935	632,502,395	331,693,412	$270,006,600
1901	4279	663,224,195	359,911,683	316,625,550
1902	4678	713,435,695	380,476,334	320,738,000
1903	5147	766,367,095	419,610,683	376,003,300
1904	5495	781,126,335	457,281,500	416,972,750
1905	5858	812,026,075	524,508,249	483,181,900
1906	6225	845,939,775	583,171,985	492,170,650
1907	6650	909,274,775	609,980,460	532,543,550

The Gold Standard Act of 1900 marked an important stage in the financial progress of the United States. It was a source of congratulation by the Republican National Convention in the autumn of that year and contributed essentially to the support given by the business community to the re-election of President McKinley. The advocates

4 The interest-bearing debt outstanding on October 31, 1907, was $858,685,510, and of this amount $676,250,150 was in two per cent. bonds. Of the latter $549,788,930 was deposited with the Treasury to secure note circulation and $78,424,350 to secure deposits of public money in the banks.—Comptroller's Report, 1907, 13.

5 Annual Report of the Comptroller of the Currency for 1907, 26.

6 Vide Response of the Secretary of the Treasury to Senate Resolution No. 33, Senate Doc. No. 208, 60th Congress, 1st Session, 27-29.

of a scientific currency system were not satisfied, however, with the absence of a provision changing the basis of bank-note circulation so as to make it more directly responsive to changes in business needs. The Indianapolis Committee continued the agitation of this subject for some years and reform was urgently recommended by each succeeding Secretary of the Treasury. Mr. Lyman J. Gage, who served in this place through the administration of President McKinley, was an especially earnest advocate of doing away with the bonded security and giving greater flexibility to the system. His annual report to Congress in 1897 anticipated by a short time the recommendations of the Monetary Commission.

Expedients Adopted by Secretaries of the Treasury.

The great prosperity of the country, however, and the increase of the circulation by the influx of gold detracted from the interest felt by business men in securing a change of law. The estimated gold stock, which was only $597,927,254 at the close of 1895, reached $1,419,943,124 at the close of 1905, and the amount of gold in the Treasury increased during the same period from $113,198,707 to $765,775,-099. This was held largely against gold certificates in circulation, which increased from $50,099,889 on December 31, 1895, to $527,493,869 on December 31, 1905, and subsequently to $767,005,869 on December 31, 1907. Pressure continued to be felt every autumn in the movement of the crops, but was relieved for several years by measures of somewhat doubtful legality or policy adopted by Mr. Shaw, who was Secretary of the Treasury from 1902 to March, 1907. Among the measures which had frequently been resorted to on previous occasions was the deposit of public money in national banks. Mr. Shaw increased the number of such depositaries from 468 on February 1, 1902, to 1106 on November 1, 1906, and increased deposits during the same period from $106,629,-952 to $148,975,346.[7]

The novel features of Secretary Shaw's policies were the acceptance of bonds other than United States bonds as security for deposits of public money; exemption of the banks from maintaining against public money the legal reserves required against other deposits; the transfer to the banks of public money which had already been received into the Treasury; deposits of public money with banks in anticipation of gold imports; and frequent modifications of his rulings so as to modify the volume of bank circulation and of public deposits as he deemed best. Several of these measures, especially the first and second, were severely criticised upon legal grounds, and the Secretary himself justified them upon the ground that in 1902 "but for what was then done, a panic would have ensued rivalling in severity any in our history."[8] The acceptance of miscellaneous bonds as security for public deposits was in a measure legalized just as Mr. Shaw was leaving office, but the New York Clearing-House banks refused to accept immunity from reserve requirements, and the policy of deposit of public money in the banks against engagements of gold for import, which was first adopted in 1906, was deliberately abandoned by Secretary Cortelyou in 1907.[9]

---

7 Finance Report, 1906, 36. The number of such depositaries was further increased by Secretary Cortelyou in 1907 to 1421, but this was under a mandate of the Act of March 4, 1907, "That the Secretary of the Treasury shall distribute the deposits herein provided for, as far as practicable, equitably between the different states and sections."

8 Finance Report, 1906, 37.

9 In his response to the Senate in regard to his policy during the panic, Mr. Cortelyou said, "The Secretary did not feel called upon at any stage of the crisis to interfere directly with the normal movement of gold between international markets." Sen. Doc. 208, 60th Congress, 1st session, 13. Andrew declares that the policy adopted by Mr. Shaw "was an objectionable interference with the free movement of gold reminiscent of mercantilist measures of the seventeenth century."—"The Treasury and the Banks under Secretary Shaw," in Quarterly Journal of Economics, August, 1907, XXI. 547.

The Chamber of Commerce Committee.

All these difficulties in the administration of existing law afforded accumulating proof of the necessity for sweeping changes in the American monetary system. Surplus reserves in the New York banks, which were impaired but once from the panic of 1893 to the autumn of 1902, fell below the legal requirement in September of that year, and again twice in 1905 and four times in 1906.[10] When finally in the autumn of 1905, rates for call money in New York rose on one occasion as high as 125 per cent., the deficiencies of the existing system were again brought into such prominent relief that it was generally felt that the time had come for action. Mr. Jacob H. Schiff, a well-known international banker, took the lead in endeavoring to secure new legislation by the presentation of a resolution to the New York Chamber of Commerce, which was adopted in December, 1905, providing for the appointment of a special committee of the Chamber to frame a currency measure. This committee, after consulting with the heads of leading foreign banks, made a report which was adopted by the Chamber of Commerce, November 1, 1906.

The creation of a central bank of issue was recommended by the Chamber of Commerce committee. It was declared that the best method of providing an elastic credit currency, the volume of which could never be excessive, would be the creation of a central bank under the control of the Government, with branches in leading cities. It was proposed that such a bank should be under the direct control of a Board of Governors appointed, at least in part, by the President of the United States and that it should perform some of the functions imposed under existing law upon the United States Treasury. The argument for such an institution was summed up as follows:[11]

"The operations of central banks in Europe, especially in France, Germany, Austria-Hungary and the Netherlands, make it impossible to doubt that the existence of such a bank in this country would be of incalculable benefit to our financial and business interests. Such a bank in times of stress or emergency would be able by regulation of its note issues to prevent those sudden and great fluctuations in rates of interest which have in the past proved so disastrous. Furthermore, it would have the power to curb dangerous tendencies to speculation and undue expansion, for by the control of its rate of interest and of its issues of notes it would be able to exert great influence upon the money market and upon public opinion. Such power is not now possessed by any institution in the United States. Under our present system of independent banks, there is no centralization of financial responsibility, so that in times of dangerous over-expansion no united effort can be made to impose a check which will prevent reaction and depression. This is what a large central bank would be in a position to do most effectively. A central note-issuing bank would supply an elastic currency varying automatically with the needs of the country. This currency could never be in excess, for notes not needed by the country would be presented for deposit or redemption."

In view, however, of the political hostility supposed to exist to a central bank, an alternative plan was suggested for giving greater flexibility to the circulation of the existing national banks. It was proposed that any bank having fifty per cent. of its capital invested in United States bonds, against which it had circulation, could issue additional circulation in certain fixed proportions to capital, subject to a graduated rate of taxation. In the case of a bank with a capital of $100,-000, the circulation authorized, under the plan proposed would be as follows:

---

10 Andrew, Idem. 561.

11 The currency: Report of the Special Committee of the Chamber of Commerce of the State of New York, 9.

$50,000 in notes secured by bonds, taxed one-half of 1 per cent.

$5,000 upon general assets, taxed 2 per cent.

$5,000 upon general assets, taxed 3 per cent.

$5,000 upon general assets, taxed 4 per cent.

$10,000 upon general assets, taxed 5 per cent.

$10,000 upon general assets, taxed 6 per cent.

The maximum circulation authorized under this plan was estimated at the time of the report at $289,000,000, but this was based upon the ability of each bank to issue the full amount, and the limitation of the bond circulation in each case to fifty per cent. of capital, since the provision of existing law was retained, that total circulation should not in any case exceed capital.[12]

It was proposed that all the notes issued by a bank should be of the same form and that future issues of United States bonds should not be made available as a basis for the issue of bank-notes. The proposed issue was to be protected in a manner similar to that proposed by the Indianapolis plan—the creation of a guaranty fund from the proceeds of taxation. It was also proposed that, in order to secure the prompt redemption of notes, when no longer required in the channels of trade, redemption agencies should be established at Sub-Treasuries and other convenient points.

Work of the American Bankers' Association.

The adoption of this report by the Chamber of Commerce was preceded by a few days by action at the annual convention of the American Bankers' Association at St. Louis. This convention adopted a resolution authorizing a committee of fifteen members to frame a currency measure and to consult with representatives of the committee of the Chamber of Commerce. A smaller committee, headed by Mr. John L. Hamilton, president of the Bankers' Association during 1906, had prepared a plan which was presented to the convention, but it was deemed best to secure harmony by consultation among those interested in different plans, and all of the members of the Hamilton committee were included in the membership of the enlarged committee of fifteen.

This committee met promptly in Washington in November, 1906, with the Hon. A. Barton Hepburn, President of the Chase National Bank of New York, as chairman. A plan was prepared which did not differ in principle from the plan of the New York Chamber of Commerce, but changed the basis of circulation so that a national bank might issue an amount of notes without bond security to the amount of forty per cent. of its bond-secured circulation, but not exceeding twenty-five per cent. of its capital. These notes were to be taxed at the rate of two and a half per cent. per annum. An additional issue was provided for, in order to meet more acute emergencies, to the amount of twelve and a half per cent. of capital, subject to a tax at the rate of five per cent. This measure was introduced into Congress and was made the basis of a bill reported favorably by Hon. Charles N. Fowler, Chairman of the House Committee on Banking, who had long taken a leading part in the agitation for an improved currency system. This bill did not receive consideration, however, during the session which ended on March 4, 1907. At the annual convention of the Bankers' Association held at Atlantic City in September, 1907, the report of this committee was endorsed by a large majority and the committee was continued, with power to adopt such measures to secure legislation as it might approve.

---

12 The maximum taxed up to four per cent. would be, under the Chamber of Commerce plan, only about $124,000,000. The amounts authorized under the Bankers' plans, presently referred to, were about $206,500,000 under a tax of two and a half per cent., and $103,250,000 taxed five per cent. Vide article by the present writer, "The Plans for Currency Reform," in New York Bankers' Magazine, December, 1906, LXXIII, 897, seq.

CREDIT CURRENCY.*

Coin and Commercial Paper the Proper Basis for Bank Notes.

IT is a hopeful sign when organizations of business men turn aside from their customary pursuits to study those questions upon whose proper solution our business prosperity so largely depends. If unsound principles have crept into our currency system, under the stress of a great national conflict, and have been perpetuated long after the real or apparent necessities that gave birth to them have passed away, this condition of affairs has been rendered possible because of the apathy of business men.

Imperfections of Our Currency System.

The imperfections of our currency and banking systems are not unknown to experts, who have long and vainly urged the desirability of reform. But until these imperfections are strikingly revealed by experiences like those through which we have lately passed, their evil tendencies are allowed to develop unnoticed by the public at large. In times like the present every one sees —or thinks he sees— just where the difficulty lies, and has at hand a plan which, he is convinced, will make everything right. Out of this multitude of suggestions has grown, thus far, nothing but confusion. I shall not add to the prevailing bewilderment by bringing forward a plan of any kind, but content myself in treating of principles only.

It would be impossible within the limits of this address to deal comprehensively with the several phases of the currency question, and indeed I shall hardly do more than attempt to treat very briefly of one of them—that relating to the issue of bank notes.

American Boots and Shoes.

In the manufacture of those articles whence this club derives its name, the United States, and this section of it especially, enjoys indisputable supremacy. For quality of materials, for style, workmanship and general excellence, American boots and shoes are renowned the world over. What has given to the product of your factories this justly exalted reputation? Other localities produce more of the raw materials out of which these necessary articles are made. You have no advantage in cheap and abundant capital that is not possessed by other communities, and the wages you must pay to your workmen are perhaps the highest known in the same line of manufacture anywhere in the world.

Commonwealth of Massachusetts.

Again: if we turn to the history of this Commonwealth, we shall find a record of progress hardly equalled elsewhere. This is no empty compliment, but a fact amply witnessed by official statistics. To repeat them would be merely to weary you by telling what is already known. In manufacturing, in banking, in commerce, and in all that constitutes material wealth, there stands to the credit of this people a record of achievement which no state of the same area can equal and none can surpass. How do we explain this? Other states are larger, their soil and climate more suitable to the growing of raw products, and their natural resources far greater than yours. But the limitations indicated have been no bar to your onward march. Although no cotton is raised within the borders of this state, it has become the center of the cotton-spinning industry; and in your own especial line of manufacture, while your raw materials are chiefly obtained elsewhere, you have attained undisputed primacy.

---

* Address of Elmer H. Youngman, Editor of THE BANKERS MAGAZINE, New York. Delivered at the One Hundred and Fortieth Monthly Dinner of the Boston Boot and Shoe Club, Hotel Brunswick, Boston, Mass., February 19, 1908.

Applied Intelligence.

There must be some peculiar attribute, physical or mental, that has enabled this state and your own industry to achieve the signal success that has been won in the face of circumstances less propitious than those which have favored other communities. While many causes have doubtless contributed to bring about the result mentioned, one, I think, deserves especial notice. That is the application of intelligence to the solution of the various problems with which you have been confronted. By the exercise of this intelligence you, as makers of boots and shoes, have learned that it is a wise policy to keep your factories equipped with the best tools and machinery obtainable. By its exercise you have been enabled to perceive that the most desirable workmen to have in your employ were not those whom you could get for the lowest wages, but those who did superior work. Applied intelligence, or what we commonly call skill, therefore, accounts for the supremacy of the industry which you represent. And this example has been extended all through the various industrial, commercial and financial activities of the Commonwealth, as I have no doubt it has been to civic affairs as well.

Bank-Note System Antiquated.

Now, it is precisely because we have not applied the same degree of intelligence to the consideration of our currency and banking problems that they are continually and periodically upsetting business calculations. The present method of issuing bank notes is an inheritance from the Civil War epoch. It was an expedient devised to increase the marketability of United States bonds, and in that respect it succeeded very well. But it has failed utterly to provide the country with a bank-note currency at once sound and elastic, and for reasons that will become apparent when we consider the principles that must govern the issue of a bank circulation responding to these requirements.

Increase of Wealth and Business—Reduction of the Public Debt.

Whatever views may be held with respect to the proportion that should obtain between the volume of business and the volume of money in circulation, few would maintain that it is desirable to have a contracting basis for a bank-note circulation in the face of an enormous growth in wealth, population and business. Yet that is what we have had in the United States. When the National Banking Law was enacted our population was thirty-three millions; now it is eighty-five millions. Our national wealth has increased in the same period from about eighteen billions to over one hundred billions, while our foreign and domestic commerce has grown enormously. But the basis of our bank-note circulation—the bonded debt of the country—is actually less than it was in 1864, the year following the enactment of the banking law. The interest-bearing debt rose from a total of 700 millions in 1863 to a maximum of $2,300,000,000 in 1866, from which point it gradually declined to a minimum of 585 millions in 1893. While the public debt—the only basis of our bank-note circulation—was thus reduced by over $1,700,000,000 in the last twenty-seven years, the wealth of the country, during the same period, increased from approximately twenty-three billions in 1866 to about seventy billions in 1893, and our foreign trade from $783,600,000 to $1,714,000,000. The gain in our domestic commerce, also, has been enormous. After 1893, owing to the sale of bonds to procure gold with which to redeem greenbacks and Treasury notes, there was a considerable increase in the public debt. In consequence of the requirement mentioned, and in order to provide funds for carrying on the war with Spain, the interest-bearing debt rose from 585 millions in 1893 to $1,046,000,000 in 1899, from which point a decline again set in until last year, when the amount outstanding was 894 millions. This decline in the basis of bank circulation has been coincident with the most prosperous period

this country has ever known. The total wealth has increased from less than eighty-eight billions in 1899 to perhaps 112 billions at the present time, and the foreign trade from $1,924,000,000 to $3,314,000,000. As we all know, our home trade and industry have expanded almost beyond calculation.

Our Currency on a Crumbling Foundation.

We thus see that, with growing wealth and business, our bank-note currency is linked to a crumbling foundation. True, there has been a large gain in the actual note circulation, although the basis for it has decreased. This has been due to the provisions of the Act of March 14, 1900, which stimulated the organization of national banks and made the issue of bank notes more attractive. The sale of bonds in connection with the construction of the Panama Canal will also increase the note circulation somewhat, though just why the building of a canal on the Isthmus of Panama should cause an increase of the bank-note circulation in the United States, I am unable to see.

Increase in Gold and Silver.

But while our bank-note currency, owing to the false principle upon which it is based, has failed to keep pace with the requirements of business, we have not lacked currency. There has been a large gain in our stock of gold, and this, so far as it has been used for bank reserve purposes, constitutes an element of strength; but the enlarged employment of gold coin or certificates in hand-to-hand circulation involves an unnecessary locking up of capital and gives us an expensive form of currency. We have maintained over 300 millions of greenbacks in circulation, and have added more than 500 millions of silver—both these elements now constituting a fixed part of our circulating medium, and each possessing objectionable characteristics.

Perpetuating the Public Debt.

It has been shown that the present basis of our bank notes has failed to expand with the growth of population, wealth and commerce, and did time permit to make a careful examination of statistics we should find that both the public debt and the bank circulation have fluctuated without regard to business conditions. The bonded debt of the country—in the absence of war—may be expected to grow less as our prosperity increases, and therewith the bank circulation must shrink when it ought to expand. We are indeed already confronted with the necessity of perpetuating the public debt solely in order that the banks may have a basis upon which to issue their circulating notes, and we must either continue to tax the people for this purpose or find another basis for our bank circulation.

Bond-Secured Currency Inelastic.

As the present bank circulation varies with the fluctuations in the prices of Government bonds, and not with the demands of business, no correspondence between the supply of bank currency and our need for it can be expected so long as the existing basis of security, or indeed bond security of any kind, is maintained.

It should be borne in mind that when a bank issues its notes based upon Government bonds at present prices, no addition is made to the amount of currency available at the point where the bank may be located. On the contrary, there will be less money in that community after the notes were issued than before, for the reason that the bank has to pay a premium on the bonds it must purchase to deposit as security for the circulation, and is further compelled to maintain a redemption fund with the United States Treasurer equal to five per cent. of the circulation issued.

Since a bond-secured bank circulation is unnecessarily costly, involving an investment of more than an equal amount of capital for every dollar of notes issued, and since it fails to adjust itself to business demands and is open to other serious objections, the question arises, What substitute shall be found for it?

Credit and Coin the Proper Foundations for a Bank-Note Currency.

Commercial paper—that is, drafts drawn against products on their way from the producer to the consumer, or the promissory notes of farmers, manufacturers, merchants and others—is the true form of security for a bank circulation. It must, of course, be reinforced by an adequate coin reserve to insure convertibility and to prevent inflation.

Elasticity.

The advantages of a bank-note circulation secured by commercial paper and coin over one based upon bonds are manifold. In the first place, it is automatic, adjusting itself with precision to the fluctuations in business, and this because the commercial paper itself grows out of business transactions. The question of elasticity—which, it must be remembered, implies contraction as well as expansion—therefore settles itself. With such a currency, under a proper system of redemption, we should no more concern ourselves about the bank notes in circulation than about the bank checks. The basis of issue and the method of payment would be substantially the same for both classes of obligations.

Safety.

As to the safety of such a note circulation, if based upon a further security of a gold reserve of twenty-five per cent., and with a proper system of redemption, there can be no question. The Report of the Comptroller of the Currency for 1906 shows that since the beginning of the national banking system the national banks which have been placed in the hands of receivers had issued a total circulation of $27,628,108. During the existence of the national banks they have paid in taxes on circulation, $98,730,906. So that if this tax had been applied to the payment of notes of failed banks—a very proper use for it—there would have been a surplus, after paying all the notes of failed banks, amounting to $71,102,798. This is on the assumption that the notes of the failed banks had been secured only by the tax. As a matter of fact, however, the national banks that have failed have paid 75 per cent., or over, of the claims against them, so that the amount of notes to be paid out of the fund derived from the tax on circulation, if there had been no bond security, would be reduced to $6,907,027, and the surplus left over after paying these notes out of the fund mentioned would be increased to $91,823,879. With these figures for our guide, we have positive assurance that by setting aside a small part of the present tax on bank circulation as a safety fund, bank notes secured by commercial paper and coin would be safe beyond question.

Advantages of a Credit Currency.

A concrete illustration of the advantages of a credit currency may aid in a better understanding of the subject. Let us suppose there is a dealer in boots and shoes here in Boston who wishes to borrow $40,000. He goes to some one of the many excellent banking institutions, and, having satisfactory security, is accommodated. Manifestly, he does not take from the bank $40,000 in gold or in cash of any kind. What he does take is merely a bank book with that much entered to his credit against which he may draw checks at such times and in such sums as may suit his convenience. The bank, having entered the proceeds of this loan on its books as a deposit liability, must set aside a reserve of one-fourth the amount, or $10,000, to meet it. Now, suppose a shoe manufacturer at Brockton wishes to borrow, let us say, a like amount. And we will further suppose, as best illustrating the argument, that he applies to the bank from which the Boston dealer procured his loan. He finds, however, that he cannot take a book credit and use checks, as did the Boston man, since the hands employed in his factory are accustomed to receive cash, and can use checks only at great inconvenience, if at all. In this case the bank, instead of merely setting aside $10,000 as a reserve, as it did in the other instance,

would have to pay out the entire $40,000 in gold or in some form of currency. If it paid out any kind of lawful money, it would curtail its power to lend to other applicants to the extent of $160,000, since the $40,000, as a reserve, would protect four times that much deposit liability. Nor could the Boston bank issue its own notes to advantage to meet the needs of our supposed borrower, for in order to lend him $40,000 it would first have to invest more than that in bonds of the United States.

Under such a system, the small manufacturer, farmer or merchant is discriminated against, and the big fellow favored.

Moving the Crops.

With a currency based upon commercial credits, the annual financial disturbance that takes place on account of the need of additional money to move the crops could be entirely avoided. This is no emergency, but one of the most legitimate and ordinary functions of banking. At present a demand for $50,000,000 for this purpose would result in a reduction of the loans of the reserve city banks by $200,000,000, whereas if the banks in these cities could issue their credit notes they could meet these increased calls without contracting their loans to the extent of a single dollar, by merely converting a deposit liability into a bank-note liability. When the need for this extra currency had passed away, it would be redeemed through the clearings, or would return to the issuing banks in the shape of deposits, thus avoiding altogether that periodic disturbance of our money market which brings us to the verge of collapse with each recurring autumn.

Credit Currency Not an Experiment.

In suggesting that our bank-note circulation be based upon commercial paper and coin I am not offering anything new or untried. Indeed, with such a wealth of experience at our command, the merit of any novel suggestions for improving our currency may well be doubted. A credit currency has been adopted by practically all the great European banks of issue, with the exception of the Bank of England. It was the kind of currency issued by the state banks of Louisiana under their banking system prior to the civil war, by the State Bank of Indiana and its successor, the Bank of the State of Indiana, managed by that able banker and financier, Hugh McCulloch, and it exists in successful operation to-day among the banks of our prosperous neighbor on the north—the Dominion of Canada.

Suffolk System of Redemption.

Here in your own Commonwealth you have given us one of the best examples of how a credit currency should be issued and redeemed. I refer, of course, to what is known as the Suffolk System of Redemption. The essence of this redemption system was simply that a bank issuing notes should provide for some convenient place for their payment, or expect to have them presented at its own counter and specie demanded. The Suffolk Bank enforced this principle from 1824 to 1858. While the laws regulating the issue of the early New England bank currency were far from perfect—the permissible issues being in some states much greater than would now be considered wise—yet so good was the credit currency, that even with these imperfections an annual tax of about one-eighth of one per cent. upon the average circulation outstanding would have paid all losses for a period of twenty years. With the adoption of uniform laws, such as now govern the issue of national bank notes, even this small tax would be much greater than needed.

The experience under the Suffolk system proved that a credit currency may be issued without danger of inflation, provided a proper system of redeeming notes be put in practice. For about forty years the New England banks issued a credit currency, but though allowed to issue a maximum of $135,000,000, they never got above

$44,000,000. This shows that business men, not the banks, will determine what the supply of bank notes will be, when the notes rest upon the proper foundation, and are subject to the test of daily redemption. With this example for our guide, we know, also, that a credit currency is responsive to business demands; that, being less costly than the bond-secured notes, it may be furnished at a lower interest rate to borrowers; and last, though by no means least, it can be made absolutely safe.

The Aldrich Bill.

If the recent panic has one lesson to which we should give heed it is that some of our financial institutions have gone too far in the direction of entangling their resources with bonds representing fixed capital. They are invited to go still further in this direction by the Aldrich Bill, now pending in the United States Senate. It provides for the issue of what is known as an "emergency currency" based upon the bonds of states, municipalities and railways.

In order to avail themselves of the provisions of this bill, banks would have to make investments in bonds representing fixed capital, instead of confining their resources to commercial paper, representing a liquid form of assets. Bonds run for long periods, and are subject to rapid and sometimes extreme fluctuations, while commercial paper is either payable on demand or runs for short terms only, its value being also at par, except in comparatively rare cases where the maker fails. Bank deposits being largely payable on demand, it is necessary that the banks, in order to be always in a position to meet their obligations promptly, should have their assets chiefly in the form of short-time paper.

The Aldrich Bill is wrong in principle, and should be opposed most vigorously by every business man.

The Fowler Bill.

Another currency and banking bill, introduced by Mr. Fowler, Chairman of the Banking and Currency Committee, is now before the House. It provides for the issue of notes against commercial paper and coin and also includes several other important reform provisions. This bill seriously and honestly attempts to cure the admitted defects in our currency, and while there may be a division of opinion as to some of its details, I believe a careful study of it will establish the fact that its main provisions are sound and deserving of support.

Increase of Currency Not Advocated.

My plea for a credit currency is ended. You will have totally misunderstood me if you believe that I am advocating an increase in our supply of currency. We need less currency, but of a better character. We want a more judicious restriction of credit, not expansion. We want more gold in our bank reserves and less paper. We want the Government to stop increasing the public debt for any purposes save those contemplated by the laws of the country. We want the Secretary of the Treasury to quit "aiding the money market" and attend to his legitimate functions. We want a currency, not for emergencies, not taxed so high as to make it available to speculators and useless for the legitimate trade and industry of the country, but one that will serve the needs of the small farmer of the West, the Southern planter and the New England manufacturer as well as the great financial and commercial interests of our cities.

How shall these reforms be obtained? I will tell you. Let every one of you go home from here and write to your Senators and Representatives insisting that they shall exercise the same honesty and intelligence in legislating upon these matters that you do in making boots and shoes. Let every other organization of manufacturers, laborers, farmers and business men do likewise, and these problems will be solved.

The New England Conscience.

I began by saying that this Commonwealth owes its remarkable progress to

the application of intelligence to the conduct of its affairs. That statement was true. But there is more to be said. Woven into the fabric of your laws, impressed upon all your institutions, animating your onward march at every step, has been the New England conscience. The strong hand, the clear brain have been guided by the honest heart. And so long as this shall be so, the lustre of your civilization will remain undimmed. Let us earnestly thank God for Yankee pluck and ingenuity, but no less fervently for the Yankee conscience.

We are now in the midst of a conflict with forces that sought to shelter their wrongful acts beneath great privilege, wealth and power. They failed to reckon with the New England conscience and with that proud spirit of American liberty which has always dared to attack wrong however securely entrenched. And this conflict will go on until the high as well as the low are compelled to acknowledge obedience to the law and until our great corporations shall realize that their magnitude does not absolve them from respecting the people's rights. American business and corporate affairs are, with few exceptions, conducted in accordance with the highest standards of integrity. That a few defiant lawbreakers have been unable to sully our reputation, and impose their own tainted ideals upon our business life, has been due to the sterling honesty of the American character, and to the magnificent leadership of Theodore Roosevelt.

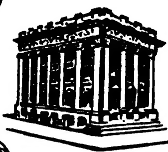
Upon these New England shores—and throughout our land—the principle of democracy has been gloriously vindicated. Let the door of opportunity be kept open to all, the scales of justice be evenly held, and then, if we meet the issues of the hour with manly courage, we shall not fail in the time of trial.

"Sail on, O ship of State!
Sail on, O Union, strong and great!
Humanity, with all its fears,
With all the hopes of future years,
Is hanging breathless on thy fate!
We know what Master laid thy keel,
What workmen wrought thy ribs of steel,
Who made each mast and sail and rope,
What anvils rang, what hammers beat;
In what a forge and what a heat
Were shaped the anchors of thy hope!
Fear not each sudden sound and shock;
'Tis of the wave, and not the rock;
'Tis but the flapping of the sail,
And not a rent made by the gale!
In spite of rocks and tempest's roar,
In spite of false lights on the shore,
Sail on, nor fear to breast the sea!
Our hearts, our hopes, are all with thee.
Our hearts, our hopes, our prayers, our tears,
Our faith, triumphant o'er our fears,
Are all with thee, are all with thee!"

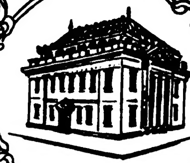
MR. MORGAN A MAN OF SENTIMENT.

TRAITS of Mr. J. P. Morgan's character of which little is known by the public are revealed in the following by Kercheval Wolff in the February "Appleton's Magazine:"

"When has Mr. Morgan ever shown sentiment? will be the next question to be asked. The answer is less obvious. Sentiment is something your manly man conceals. It crops out, however, occasionally—in his great gift to the Harvard Medical School in honor of his father whose name alone appears—in his retention of his father's name for the London House. But the best illustrations have hitherto never been published. Mr. Morgan is an active director in the New York, New Haven & Hartford Railroad. It is because of his sentiment for Hartford, his birthplace, that the name of the road has never been changed. That railroad has inherited a part of the old Air Line. There is a short cut from Boston through Willimantic to New Haven. This passes through Middletown, where there is a heavy curve which must be eliminated to secure highest speed. This change was prevented for years because it required the removal of the Old Cemetery. When the people of Middletown finally yielded, the plans were laid before the Board of Directors, from which they have never emerged. Mr. Morgan objected. His ancestors were buried there and he will let no profane hand be laid upon the dead, whether of his line or another's."



TRUST COMPANIES



Conducted by Clay Herrick.

TRUST COMPANY RESERVES OUTSIDE OF THE STATE OF NEW YORK.

IN reading the current discussions regarding the question of trust company reserves, it is important to bear in mind that New York is the storm centre of such discussions, and that the writers are therefore speaking, in most instances, of conditions in that state. It is to be noted that a considerable number of the states require trust companies to carry reserves as large as are required of state banks, while in a number of states the reserve requirements are identically the same for the two classes of institutions, and the reserves provided for are as large as—or larger than—the reserves required of national banks outside of the reserve cities. The following table gives the provisions of law for reserves of trust companies in a number of the states.

Except where otherwise stated, the percentage is of aggregate deposits.

	Per Cent.	
Alabama	15	2-5 in cash.
California	20	in cities of over 200,000. 1-2 in cash.
	15	in smaller places. 1-2 in cash.
Connecticut	15	4-15 in cash.
Georgia	25	
Idaho	15	1-2 cash.
Kansas	25	of demand deposits.
	10	of time deposits.
Louisiana	25	8 per cent. of this in cash.
Maine	15	
Massachusetts	15	1-3 in cash.
Michigan	20	1-4 in cash.
Missouri	15	
Montana	15	
New Jersey	15	1-5 in cash.
New York	15	1-3 in cash, in cities of over 800,000.
	10	3-10 in cash, in smaller places.
New Mexico	15	2-5 in cash.
North Carolina	15	2-5 in cash.
Ohio	15	
Oregon	15	of demand and 10 per cent. of time deposits, in cities of less than 50,000.
	25	of demand and 10 per cent. of time deposits, elsewhere. 1-3 in cash.
Pennsylvania	15	of demand deposits. 7 1-2 per cent. of time deposits.
South Dakota	25	of demand deposits. 10 per cent. of time deposits.
Texas	25	10 per cent. of this in cash.
Washington	20	
West Virginia	15	2-5 in cash.
Wyoming	25	

A NEW FUNCTION FOR TRUST COMPANIES.

THE method adopted in New York for aiding the diamond merchants during the recent panic suggests the possibility that a similar plan may be found useful in many cases where perfectly solvent concerns find themselves, in times of stress, unable to meet their maturing obligations promptly. The plan practically substitutes trustees for receivers, and operates both to protect the interests of creditors and to conserve the assets of the embarrassed

concern. It is believed that by this method the usual expense, litigation and delay will be lessened.

Briefly stated, the plan involves placing the affairs of the concern in the hands of liquidating trustees with adequate power to realize upon the assets in a judicious manner to the best interests of all concerned. The claims of pany as depositary, and for them the creditors are placed with a trust comlatter issues negotiable certificates, which will pass from hand to hand by endorsement and be available as collateral security in financial institutions. As the business is in the hands of trustees who are holding the merchandise and other assets in trust for the holders of these certificates, with an agreement on their part to liquidate the assets and make payments on account pro rata, the certificates would seem to be desirable security. The claims of creditors may thus be made quickly available without useless sacrifice of the concern's assets.

The plan is evidently analogous to that of the issue of Clearing-House certificates by banks and trust companies.

PROTECTING THE USE OF THE WORD "TRUST."

THE efforts made by the Trust Company Section of the American Bankers' Association to promote legislation prohibiting merely speculative concerns from advertising themselves as "trust companies" have met with considerable success, as shown by the number of states now having legislation of that character. Not less than seventeen states have enacted laws providing that only regularly incorporated trust companies complying with the requirements of the law for such corporations may use the word "Trust" as a part of their titles. These states are California, Colorado, Connecticut, Indiana, Iowa, Kansas, Massachusetts, Minnesota, Mississippi, Montana, New Jersey, New York, Oregon, Texas, Washington, West Virginia and Wisconsin. Efforts which promise success are being made for similar legislation in a number of the other states.

AFTER THE STORM.

ON the whole the trust companies of the country are to be congratulated upon the way in which they, together with the other financial institutions, stood the strain of the recent panic. Their showing compares very favorably indeed with that of the other classes of corporations holding deposits of the people's money. Exact statistics are not yet available, but the proportion of failures among trust companies thus far has been small, and the losses to depositors very slight. Sound banking principles have evidently been adhered to by the vast majority of trust companies throughout the land.

The panic has its lessons, not all of which have yet been made clear. Discussions of the reserve question have already appeared in these columns, and the problem is evidently on the way to correct settlement. Speculative activity has always been recognized by the thoughtful as outside the realm of sound trust company business, and the panic has but emphasized the fact, while it has shown that few trust companies have been engaged in speculative enterprises. At the same time the possibility of such practices has been made clear by the exposure of the condition of the few transgressors. The danger of the one-man institution has once more been made clear, and with it the importance of having "directors who direct." But the community of interest of all financial institutions is emphasized by the fact that these lessons are not peculiar to trust companies, being common to all banking corporations.

NEW YORK BANKS AND TRUST COMPANIES—NEW FORMS OF STATEMENTS.

THROUGH the courtesy of Clark Williams, Superintendent of the New York State Banking Department, THE BANKERS MAGAZINE is enabled to present herewith the new forms of statement required of state banks and trust companies, both in and out of New York city.

9-1000 (9-7888)

Banking Department—State of New York.

STATEMENT OF THE

....Bank for the

week ending the......................................day of 190

1. **Average amount of LOANS, DISCOUNTS AND INVESTMENTS (except real estate)**.......................... (Loans, Discounts, Stocks and Bonds and Mortgages owned by the Bank.)	$		
2. **Average amount of SPECIE** .... (Gold and silver coin, United States and Clearing House gold certificates and U. S. silver certificates.)			
3. **Average amount of LEGAL TENDERS AND BANK NOTES.** (U. S. legal tender notes of all issues and notes or bills issued by any lawfully organized national banking association.)			
4. **Average amount DUE FROM RESERVE DEPOSITORIES IN NEW YORK CITY**.................................. (Moneys on deposit subject to call in any bank or trust company in this State, approved by the Superintendent of Banks as reserve agent, less offsets.)			
5. **Average amount due from RESERVE DEPOSITORIES OUTSIDE OF NEW YORK CITY, less offsets**................			
6. **Average amount DUE FROM OTHER NEW YORK CITY BANKS AND TRUST COMPANIES**.................... (Moneys on deposit subject to call in any New York City bank or trust company, not a reserve depository.)			
7. **Average amount DUE FROM OUT OF TOWN BANKS AND TRUST COMPANIES**................................ (Moneys on deposit subject to call in banks or trust companies outside of New York City, not reserve depositories.)			
8. **Average amount of DEPOSITS**.......................... (Gross deposits and unpaid dividends, less checks and demand items on other New York City banks or trust companies and amounts due from other banks or trust companies for collection.)			

I certify that the above statement is correct.

....

This weekly statement must be certified by an officer of the Bank and delivered at the New York office of the Superintendent of Banks, 52 Broadway, before 9.30 a. m. on Saturday of each week.

CLARK WILLIAMS,
Superintendent of Banks.

Form of Statement for Banks in New York City.

1-31-08-1000 (9-7630)

Banking Department — State of New York.

STATEMENT OF THE

....Bank for the

week ending the..............................day of..., 190

1. Average amount of LOANS, DISCOUNTS AND INVESTMENTS (except real estate)........................ (Loans, Discounts, Stocks and Bonds and Mortgages owned by the Bank.)	$		
2. Average amount of CASH.............................. (Gold and Silver Coin, United States Gold and Silver Certificates, United States Legal Tender notes of all issues and notes or bills issued by any lawfully organized National Banking Association.)			
3. Average amount DUE FROM RESERVE DEPOSITORIES... (Moneys on deposit subject to call in any bank or trust company in this State, approved by the Superintendent of Banks as reserve agent, less offsets.)			
4. Average amount DUE FROM OTHER BANKS AND TRUST COMPANIES.................................... (Moneys on deposit, subject to call in banks and trust companies, not reserve depositories.)			
5. Average amount of DEPOSITS......................... (Gross deposits and unpaid dividends, less checks and demand items on other New York City banks or trust companies and amounts due from other banks and trust companies for collection.)			

I certify that the above statement is correct.

....

This weekly statement must be certified by an officer of the Bank and mailed to the New York Office of the Superintendent of Banks, 52 Broadway, as soon after the close of business on Friday of each week as possible.

CLARK WILLIAMS.

Superintendent of Banks.

Form of Statement for Banks Outside New York City.

1-14-8-4000 (9-73-8)

Banking Department—State of New York.

STATEMENT OF THE

....Trust Company for the

week ending the......................., day of.., 190 .

1. Average amount of LOANS, BILLS PURCHASED AND INVESTMENTS (except real estate) .... (Loans, Bills Purchased, Stocks and Bonds and Mortgages owned by the Trust Company.)	$		
2. Average amount of SPECIE........................ (Gold and silver coin, United States and Clearing House gold certificates and U. S. silver certificates.)			
3. Average amount of LEGAL TENDERS AND BANK NOTES (U. S. legal tender notes of all issues and notes or bills issued by any lawfully organized national banking association.)			
4. Average amount of BONDS IN LAWFUL MONEY RESERVE (Bonds of the United States, bonds of the State of New York, and bonds issued in compliance with law by any city of the first or second class within the State of New York, computed at par value, the absolute property of the company.)			
5. Average amount DUE FROM RESERVE DEPOSITORIES IN NEW YORK CITY........................ (Moneys on deposit subject to call in any bank or trust company in this State, having a capital of at least $200,000, or a capital and surplus of $300,000, and approved by the Superintendent of Banks, less offsets.)			
6. Average amount DUE FROM RESERVE DEPOSITORIES OUTSIDE OF NEW YORK CITY, less offsets..............			
7. Average amount DUE FROM OTHER NEW YORK CITY BANKS AND TRUST COMPANIES........................ (Moneys on deposit subject to call in any New York City bank or trust company, not a reserve depository.)			
8. Average amount DUE FROM OUT OF TOWN BANKS AND TRUST COMPANIES........................ (Moneys on deposit subject to call in banks or trust companies outside of New York City, not reserve depositories.)			
9. Average amount of DEPOSITS........................ (Gross deposits and unpaid dividends, less checks and demand items on other New York City banks and trust companies and amounts due from other banks and trust companies for collection.)			

I certify that the above statement is correct.

....

This weekly statement must be certified by an officer of the Trust Company and delivered at the New York office of the Superintendent of Banks, 52 Broadway, before 9:30 a. m. on Saturday of each week.

CLARK WILLIAMS,
Superintendent of Banks.

Form of Statement for Trust Companies in New York City.

A-15-06-1000 (9-7854)

Banking Department—State of New York.

STATEMENT OF THE

....Trust Company for the

week ending the..................day of.................................., 190

1. Average amount of LOANS, BILLS PURCHASED AND INVESTMENTS (except real estate) .... (Loans, Bills Purchased. Stocks and Bonds and Mortgages owned by the Trust Company.)	$		
2. Average amount of CASH .... (Gold and Silver Coin, United States Gold and Silver Certificates, United States Legal Tender Notes of all issues and notes or bills issued by any lawfully organized National Banking Association.).........			
3. Average amount of BONDS IN LAWFUL MONEY RESERVE. (Bonds of the United States, bonds of the State of New York, and bonds issued in compliance with law by any city of the first or second class within the State of New York, computed at par value, the absolute property of the company.)			
4. Average amount due from RESERVE DEPOSITORIES .... (Moneys on deposit subject to call in any bank or trust company in this State, approved by the Superintendent of Banks as reserve agent, less offsets.)			
5. Average amount DUE FROM OTHER BANKS AND TRUST COMPANIES...................................... (Moneys on deposit subject to call in banks or trust companies, not reserve depositories.)			
6. Average amount of DEPOSITS .... (Gross deposits and unpaid dividends, less checks and demand items on other New York City banks and trust companies and amounts due from other banks or trust companies for collection.)			

I certify that the above statement is correct.

....

This weekly statement must be certified by an officer of the Trust Company and mailed to the New York office of the Superintendent of Banks, 52 Broadway, as soon after the close of business on Friday of each week as possible.

CLARK WILLIAMS,
Superintendent of Banks.

Form of Statement for Trust Companies Outside New York City.

WRONG IDEAS ABOUT CREDIT CURRENCY.

SOME weeks ago the editor of THE BANKERS MAGAZINE prepared a little essay on "Credit Currency," which has been favored with the commendations of many of the leading bankers and monetary students of the country, and has also had a circulation far beyond anything expected at the time it was written. The newspapers to which the essay was sent have (with two exceptions) spoken of it in terms of high praise. We reprint the following extract from one of the exceptions, not because the essay itself needs defense, but to correct mistaken impressions regarding the safety of a credit currency.

In reviewing the book mentioned, the "Milwaukee (Wis.) Journal" says:

"The author innocently argues that the depositor who wants cash to use is as much entitled to accommodations as the depositor who has the privilege of using checks. But it by no means follows, as the writer suggests, that the banks should issue credit notes practically without safeguards and have the privilege of handing this worthless scrip to the depositor in place of the real money the depositor turned over to the bank."

It will be noticed that no attempt is made to refute the "innocent" argument.

The book on "Credit Currency" does not propose that notes shall be issued "practically without safeguards;" on the contrary, beginning on the first page, five different kinds of security, constituting in the aggregate an absolute safeguard, are specifically enumerated. No one who has the slightest regard for the welfare of the country, or for his own reputation as a financial authority, would propose a currency whose safety is open to question. Safety is an elementary requirement of any system of bank notes.

As for bank notes of any kind being "worthless scrip," a little reflection will show that, at the present day, this is practically impossible. A bank note is an obligation of the bank issuing it to pay so much money to bearer on demand, and so long as the bank is a going concern such obligation is worth 100 cents on the dollar. Where national banks fail, they pay, on the average, over seventy-five per cent. of their indebtedness, and the safeguards suggested in "Credit Currency" make ample provision for the deficiency.

But the "Milwaukee Journal" seems to think that depositors put "real money" in the banks. They do not, except to a limited extent. Some investigations made by the Comptroller of the Currency in 1896 showed that the deposits received on a certain day were made up as follows:

Gold	0.6 per cent.
Silver	0.5 per cent.
Currency	6.3 per cent.
Checks	92.5 per cent.

Since the depositors, to an overwhelming extent, put in checks, they ought to be satisfied if they get back what they put in. And in the great majority of cases they are. When they want currency they would be perfectly satisfied, as a rule, with a cashier's check; that is, a bank note, which would circulate the same as gold or legal tender money of any kind. But where a depositor wanted gold or other form of lawful money, he could get it simply by presenting the notes at the bank's counter and demanding payment.

The criticisms of the "Milwaukee Journal" are hardly fair or temperate. They are, we know, based upon imperfect knowledge of the subject. There can be no hope of sound financial legislation until such misconceptions are removed.

PRACTICAL BANKING

THE MOST IMPORTANT BOOK IN THE BANK.

By Charles W. Reihl.

IF one of your depositors should ask you which is the most important book in your bank, you would probably hesitate to give an answer, because each book is very important in its place and way. But after a few moments' thought you would undoubtedly name the book that the average depositor would not think at all important—the general ledger. It is to this book that all the transactions of the bank must finally go. As the hub is to the wheel, so this book is to the bank; and as without the hub the wheel would not stand the strain placed on it, so without the general ledger the bank's records would be weak.

If the paying teller pays a check the transaction must come to the general ledger to reduce the total deposits by the amount of the check paid, and a credit must be made to the cash account for the money paid out.

If the receiving teller receives a deposit a record of its total must go to the general ledger to the credit of deposits, and a debit to cash for the cash received.

When a note is discounted, or bill purchased, the transaction must be recorded in the general ledger in the account for discounts, it being debited there, while the credit goes through the checking ledger to the account of the one for whom it was discounted—unless the discounter was not a depositor.

The record of the demand loan paid to-day must reach the general ledger to have the proper credit made to the demand loans account.

In this manner we could follow each transaction in the bank and find that it, either by itself or as one of a number of items united in one total, must finally be posted to one of the general ledger accounts. This being true, it is evident that the general ledger is the most important book in the bank. But it is a bit amusing to see how this fact finds expression in different banks. Let us glance at a few.

VARIOUS KINDS OF GENERAL LEDGER.

Here is one bank that has the old style, double-entry ledger. A large, unwieldy book of probably 500 or 800 extra large sheets, making 1000 or 1600 pages, so ruled and arranged that it gives a lot of waste space on each page and many useless pages, but no place for a balance column.

Not far off we find another bank where the general ledger is not so large. It too follows the old-style double-entry plan, but in addition it has a balance column. The columns are so close together that there is no room to explain a posting if it was desired to do so; but the book was not intended to show more than the dates of the debit and credit postings and the balances.

To the officers of another bank the "Boston system" style of ledger appeals most strongly, so we find it in use for the general accounts of the bank. The "Boston system" has one or two peculiar advantages for the checking accounts, but as to its being a good system for the general accounts there are very grave questions. The writer has never seen a bank where the "Boston system" was used for savings accounts. He can imagine he sees you smile at the suggestion of such a thing.

It is just about as absurd to use it for the general accounts as it would be to use it in savings accounts. Experience has proved this to be true.

There are some banks where the loose-leaf system is used for the general ledger—and for this use there are various rulings of the pages. Some are good, some are fair, and others are poor.

When the writer is asked, as a bank examiner and systematizer, his opinion as to the best style of ledger for the general ledger records, he unhesitatingly replies thus: "The loose-leaf, if it is properly safeguarded." With proper ruling and spacing on the sheet, complete and definite entries on the pages, be made to the accounts without the entry stating clearly its source.

In some banks a general cash book is used in which all the general ledger debit and credit entries are placed, and there each item is explained—but only the figures are posted to the ledger. In some other banks a general journal takes care of the entries in practically the same way as the cash book. And in still others the postings are made from debit and credit slips direct to the ledger, but seldom any detail is given in the ledger, while there are other banks where a "scratcher" is used and from that postings are made to the ledger. But seldom is a general ledger

G.L. 404 — ANY BANK OR TRUST CO., ANYWHERE. — Sheet No. 1 FOR THIS ACCOUNT.

Dividend No: 8.

Date 1908		Memorandum	Debits	Credits	Debit Balance	Credit Balance	Remarks
Jan	2	From Undivided Profits		25000 00		25000 00	
	2	Checks # 9, 21, 27, 35, 37, 40, 41–42	17500 00			7500 00	
	3	Checks # 1,–8, 10–15, 20, 29–30, 45	5350 00			2150 00	
	4	Checks # 18, 19–31	150 00			2000 00	
	6	Checks # 16, 17,–32	350 00			1650 00	
	8	Checks # 43–44	100 00			1550 00	

FORM I.

found where every posting explains itself. The argument frequently advanced is that there is no room in the ledger for the explanation—and that is true in many cases; but it is a fault that can be easily overcome. The next ledger you have made can be so ruled that there will be room enough for writing the necessary explanation.

and proper care of the sheets, before using and when completed, the loose-leaf system is the best record the bank can have.

Fundamental Requirements of a Good Form of General Ledger.

There are two fundamental principles that should be observed in every general ledger: one is, that every entry in the accounts should be self-explanatory; the other is that each account should be so kept that all its entries can be seen at once, or at least as many as will go on one or two pages—by so doing the individuality of the account is preserved.

To observe the first principle it is evident that no debit or credit should

To observe the second principle—that of maintaining the personality of each account, or of keeping it in its entirety—means that all rulings or arrangements in the nature of the so-called "Boston system" must be barred. They split the accounts up into daily sections, like kindling-wood—and they are good for kindling unpleasant thoughts when you want to find a cer-

tain transaction, and look through page after page without finding it. No general ledger account should be so divided.

The ruling that experience has taught the writer to be the best for the general ledger in any bank or trust company is shown in Form I. This style of ruling can be placed on any size sheet, and if large sheets are preferred to the smaller or medium size ones, the ruling can be duplicated on the page. This page gives, as you will see, a place for date, memorandum—or explanation of entry, debit column, credit column, debit balance column, credit balance column and space for remarks—the last is not needed often, but is exceedingly useful at times. At the top right-hand corner is a place for the number of sheet for the account, and at the left-hand corner the number of the sheet for the registration, which will be explained later.

The ruling here shown will give ample room for the details that otherwise would have to be put in another book. Sometimes the other book, be it cash book, journal or scratcher, is mislaid or unintentionally sold with the scrap paper and old books—the same is true of the slips, and then what use is the ledger as a source of definite information if it does not give explanations with the postings? Not much use, is it?

For example, take the surplus account. It is sometimes built up from the earnings, or payments by the stockholders in excess of the par value of the stock, or by the appreciation of the value of real estate or securities. If the ledger does not give anything but the figures in the credit column, the balance and the date of entry, how is your successor to know how it was built up, if he cannot find the book or slip giving the information?

This illustration may not appeal to you with much force, because there are so few changes in the surplus account; but the same argument applies to the expense account, where the entry of large amounts may be questioned, or the amount paid for a certain thing may be desired; or to the undivided profits account, and to all other accounts in the ledger.

It is not an unheard-of thing for the officers of a bank not to be able to tell, unless they first look up the record of the transaction, why certain amounts were debited or credited to certain accounts, and still they were the officers who authorized the entries. They are not supposed to carry all the details of the accounts in their memories—and this fact increases the force of the argument in favor of having the details in the ledger.

A History of the Bank.

The general ledger is really the history of the bank's growth—its development or its decline. It should therefore show a continuous story in detail for each department; and as each account represents a department it is a chapter in itself and should show the story of the department as fully and continuously as possible.

The order in which the accounts, or chapters, should be placed in the ledger is the natural or logical order of the balance-sheet—except that the liabilities should precede the resources. The following list will act as a guide for the proper arrangement. This list is made simply as a suggestion and with no idea of fully meeting the requirements of any one bank or trust company, for each one carries some accounts that are peculiar to its own need or method of business.

Liability Accounts.

Capital.
Surplus.
Undivided Profits.
Circulation.
Reserve for Interest on Checking Accounts.
Reserve for Interest on Savings Accounts.
Reserve for Interest on Certificates of Deposit.
Interest Received.
Discount Received.
Rent Account.

Exchange.
Dividends.
Deposits Subject to Check:
Ledger A to G.
Ledger H to O.
Ledger P to Z.
Savings Deposits:
Ledger No. 1.
Ledger No. 2.
Ledger No. 3.
Certificates of Deposit:
Time.
Demand.
Government Deposits.
Certified Checks.
Cashier's (or Treasurer's) Checks.
Bank Deposits.

RESOURCE ACCOUNTS.

Time Loans.
Demand Loans.
Collateral Loans—Time.
Collateral Loans—Demand.
Past Due Loans.
Bonds to Secure Circulation.
Investments—Bonds and Stocks.
Premium on Bonds and Stocks.
Banking-house.
Real Estate.
Furniture and Fixtures.
5 Per Cent. Redemption Fund.
Treasurer of the U. S.
Due from Reserve Agents.
Due from other Banks.
Cash.
Interest Paid Checking Accounts.
Interest Paid Savings Accounts.
Interest Paid on Certificates of Deposit.
Expense Account.

If interest receivable and payable is accrued, the accounts for the purpose should be in their proper order, but very few banks accrue interest.

The order of accounts in the ledger and the daily statement book should be the same. Many banks use the daily statement books now, but some have yet to learn their convenience and utility.

Now, concerning the matter of the proper care of the loose-leaves, or, as has been said before, having them "properly safeguarded." There are a number of bank men who do not like the loose-leaf system either for general ledger or checking ledger records; they consider that the accounts can be too easily tampered with—and they are right, because as the sheets are usually handled that danger does exist. But it is not the fault of the system itself—the fault is with the bank in its loose method of handling the sheets. It is usually the case that the man "running the ledger" has a stock of blank sheets at his desk to use as he needs them—this is a convenience, but not a wise provision.

If the man at the ledger is doing any crooked work with the accounts, or if the officers are doing it, he or they can easily remove and destroy a sheet and insert another one in its place, making entries on the new sheet to deceive the examiner or the directors. In this way the loose-leaf books are a bit risky. But this danger can be minimized very simply in the following manner:

Have all the sheets for any one ledger numbered consecutively on the binding end of the page. Have them wrapped and sealed in packages of fifty and each package marked showing the number of the sheets it contains. For the general ledger have the initials G. L. precede the number, as shown on Form I. Have the same number on both sides of the sheet. For the first account in the ledger use sheet marked G. L. 1, for the second use G. L. 2, and so on through the ledger. For the accounts where you know more sheets will be needed soon you can reserve a few sheets in consecutive order.

With this numbering arrangement use a register to keep track of the sheets—and here is where the principal part of the safety appliance comes into play. Form II. shows the arrangement of a book for this purpose which will probably be placed on the market at an early date. As I am now dealing with the general ledger I will show the ruling and arrangement of the pages in the book for the general ledger sheets.

It will be seen by Form II. that the

LOOSE-LEAF PROTECTION RECORD
THE GENERAL LEDGER SHEETS

SHEETS G.L. 401 TO G.L. 450

NUMBER	ACCOUNT IN WHICH USED	DATE: TO LEDGER	DATE: TO TRANSFER BINDER	CONTINUING SHEET NO.	CHECKED BY	DATE	REMARKS
G.L. 401	Undivided Profits	Dec 26 '07		3	Shaw	12/27	
G.L. 2	First Nat'l Bank, Chi.	Dec 26 '07		280	Shaw	12/27	
G.L. 3	Interest Received	Dec 28 '07		253	Shaw	12/30	
G.L. 4	Dividend No. 8	Jan 2 '08		—	Shaw	1/4	
G.L. 5	Checking Accounts A–B.	Jan 3 '08	Jan 3 '08	260	Shaw	1/3	Sheet spoiled. No. 407 used in its place. 405 filed in Transfer binder.
G.L. 47							
G.L. 48							
G.L. 49							
G.L. 450							

FORM II.

general ledger sheets are marked with the letters G. L. preceding the numbers, which follow in consecutive order. The checking ledger sheets are to be marked C. A. preceding the numbers, for the first ledger; C. B. with the numbers for the second ledger, and so on. For the savings ledger sheets the letters S. A. are to be used for the first, S. B. for the second and consecutive letters for the succeeding ledgers.

Each page of the register is to give the record of fifty sheets, that equals one hundred pages. These are to be bound books. The standard book is to have two hundred pages, divided as follows: Twenty pages for the record of 1,000 general ledger sheets; ninety pages for 4,500 checking ledger sheets; sixty pages for 3,000 savings ledger sheets, and thirty pages with no letters preceding the numbers so that they can be used to continue the record for the ledger sheets, if necessary, or for any other loose-leaf sheets. This book will, in a simple way, furnish the one thing needed to make the loose-leaf ledger sheets as safe from manipulation as any bound ledger would be, and it will commend itself to all careful bankmen.

Notice now how complete the book is to be. You will see by Form II. that the first column has the numbers of the sheets, then a space in which to write

REQUISITION FOR LEDGER SHEET

Please give me a sheet for General Ledger No. ——

for the account of Interest Received

to continue account now on sheet No. 253

Date Dec. 28/07

S. E. Jones
Ledger keeper

Sheet given No. 403 Date Dec. 28/07

FORM III.

the name of the account for which the sheet is to be used, after that are two columns for dates—first the date on which the sheet is assigned to the said account, and the next the date it is taken from the ledger and placed in the transfer binder, following this a column to show the number of the sheet that the new sheet is to follow in continuing the account—this column is not to be used when the sheet is the first for the account. Then follow the spaces for the record by an authorized party showing that the sheet was properly used.

The loose-leaf sheets and the register should be in the care of the auditor, or the man in the bank who acts in that capacity; it may be the cashier, the assistant cashier or one of the clerks. Every bank has one man who is looked upon as the man who keeps a watch on things and who is ready for any work in the interest of the bank.

The one having charge of the sheets should see that for every sheet he gives to the bookkeepers he receives a requisition similar to Form III. If the sheet is for a new account the requisition should be so marked. With this requisition he can make the record on the register and then in a day or two see that the sheet has been properly used, after which he is to sign his name and the date when checked in the columns assigned for that purpose.

It has been suggested that it would add to the safety of the sheets if the auditor would mark his initial on each sheet at the time he gives it to the ledger keeper.

This safety appliance for the loose-leaf sheets has been so fully explained because it is believed to be a matter of importance to almost every man connected with a bank or trust company.

BANKERS MAGAZINES WANTED.

IN order to complete his files of THE BANKERS MAGAZINE, a subscriber desires to procure copies of the issues for January, July and December, 1899. Anyone having these copies, and wishing to dispose of them, please address Bankers Publishing Co., stating price.

ANXIETIES OF THE PAYING TELLER.

THE money the paying teller in his wire cage handles is impersonal to him, says John M. Anderson in "The Saturday Evening Post." It has a character, of course, but it is a distinct character. The silver dollar in the teller's tray differs from the silver dollar in his own pocket; by contrast, the dollar in his pocket is as big as a stove lid.

The ones, twos, fives, tens, twenties, fifties, one hundreds, five hundreds, one thousands, five thousands and ten thousands of currency bills—the gold and the silver that come, in the course of his daily duties, under his watchful care—are the materials of his trade. Items they are to be balanced upon and to be guarded with rigid exactness; but, while he is working with these materials he seldom regards them from the viewpoint of their having a purchasing power.

Peculiarly enough, however, there is, at all times, within the paying teller's mind a subconscious stress in regard to the care of this money. It is with him in his waking moments, it follows him in his sleep. Did he lock the safe when he came away? Did he leave a tray of gold out? As it is with a railroad engineer or a train dispatcher, whose dreams are of haunted wrecks, so the paying teller will frequently in his sleep have a magnified nightmare that his cage is open to the public, and that hordes of people are crowding about helping themselves to vast landscapes of greenbacks while he stands helplessly by, paralyzed with fright, powerless to cry out or prevent the robbery. How often have I awakened from this torturous visitation with the sweat pouring from my forehead! I am very sure that any one of the fraternity who reads this will verify its truth—that that old recurrent dream of being caught in a crowded street clad only in a flimsy suit of underclothes is a blissful vision by comparison!

"HOW SAVINGS BANKS CAN DO LEGITIMATE ADVERTISING."

By Arthur A. Ekirch.

SAVINGS banks in New York State do little advertising outside of the publishing of the semi-annual dividend. Why is this?

THE THRIFTY BANK

NEW YORK.

ORGANIZED·1890·

WE SEEK NEW BUSINESS.

Some bankers claim it is undignified to advertise, while others claim a bank has nothing to sell, and therefore should refrain from publicity. It is quite true that savings banks have nothing to sell, and it is not intended they should; but surely we can drift away from our forefathers' mode of doing business and not tire the public eye by presenting day after day the old familiar "ad." notice.

Bank advertising can be divided into four classes; viz., newspaper, magazine, street-car and booklets (circulars, calendars, etc.).

If you select a newspaper as your medium, first inquire as to circulation and the class of people it reaches. A savings bank must reach the homes; therefore you want a home paper.

You will find it profitable in connection with your newspaper "ad" to have on hand a neat booklet; newspaper advertising is difficult to "follow up" unless you use a booklet or leaflet also.

The following "ad" illustrates the

THE THRIFTY SAVINGS BANK

3100 WALNUT STREET

NEW YORK

YOUR EARNING ABILITY IS YOUR CAPITAL

YOUR SALARY IS YOUR DIVIDEND.

YOUR SAVINGS ARE YOUR SURPLUS.

DEPOSIT YOUR SURPLUS WITH THIS BANK.

SEND FOR BOOKLET "W"

connection the booklet has with the newspaper.

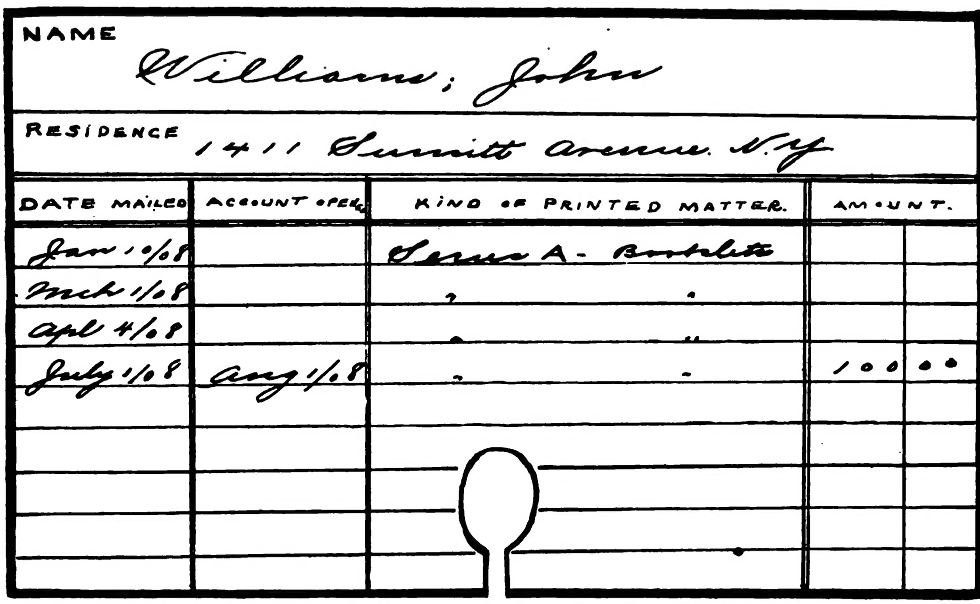
If, for instance, you place your "ad" in the New York "World," and ask the readers to "send for booklet W," by this means you can readily tell whether or not your "ad" is paying and just what papers to carry it in.

Magazine and street-car advertising should be treated in the same manner.

Booklet advertising is being used more and more every year; a large number of the western banks have increased their deposits by millions of dollars through this form of advertising. If you desire to try booklet advertising, first secure a select mailing list, either by house-to-house canvass, directory, telephone-book or polling-list; pick out the territory you desire to cover and jot down the names and addresses on a card similar to the one printed herewith.

A series of booklets will be found the only profitable way to advertise; send out a different set every month or two and always to the same list of names.

The first should be brief and catchy to the eye; the second containing cuts of the bank building, showing modern facilities for carrying on business. The last should contain a full list of the trustees' names and occupations and a card and form for opening an account.



NAME Williams; John

RESIDENCE 1411 Summitt Avenue. N.Y.

DATE MAILED	ACCOUNT OPEN	KIND OF PRINTED MATTER.	AMOUNT.
Jan 1/08		Series A - Booklets	
Mch 1/08		" "	
Apl 4/08		" "	
July 1/08	Aug 1/08	" "	100 00

FOLLOW UP CARD.

NEW SAVINGS BANKS.

THE savings banks of the state now number 138. Three were authorized during the fiscal year as follows:

Home Savings Bank, Brooklyn.
American Savings Bank, Buffalo.
Universal Savings Bank, New York.

In each case the members of the board of trustees gave an individual bond to the Superintendent of Banks, guaranteed by a surety company and conditioned that they would personally defray all the expenses of the institution until such time as its earnings should be sufficient to cover such expenses besides paying interest to depositors at a rate of not less than three and one-half per centum per annum. Such a requirement has been imposed by the Superintendent of Banks in every instance in which a savings bank has been organized in the past ten years.

Two applications for the authorization of savings banks, both to be located in Brooklyn, are on file in the Banking Department, but authorizations have not yet been granted.

A FRATERNAL DEPARTMENT.

THE American Trust and Savings Bank of Chicago has a "Fraternal Department" under the management of Charles F. Hatfield. An interesting booklet has been issued by the bank describing the facilities and advantages of the department.

SAVINGS BANK INVESTMENTS.

AN important opinion has been rendered by the Attorney-General of New York regarding the holding of Missouri Pacific Railway bonds by the savings banks of New York State. The law governing savings bank investments requires that railway bonds shall not be legal investments unless the railway shall, for a period of five years preceding, have paid punctually and regularly the matured principal and interest of its mortgage indebtedness and shall have paid a dividend on all its capital stock of at least four per cent. per annum. The question of legality, in this case, arose because the dividend of the Missouri Pacific, payable in January last, was a stock dividend, instead of cash. This, the Attorney-General holds, does not comply with the intent of the law. He further holds that the Superintendent of Banks must require the banks gradually to dispose of any such securities they may hold.

NEW YORK SAVINGS BANKS.

THE New York State Banking Department recently gave out a statement showing the condition of the savings banks of the state on the morning of January 1 last, 138 banks reporting, an increase of three. The increase in the number of open accounts for the year was 45,638; gain in amount due depositors, $18,363,253; decrease in market value surplus, $18,936,989; gain in the amount of interest paid and credited for the year, $2,969,103.

The tabulation of the aggregate of the items follows:

RESOURCES.

Bonds and mortgages....	$722,365,987
Estimated market value of stocks and bonds....	615,169,081
Loans on pledge securities	1,812,250
Banking house and lots at estimated market value.	12,460,890
Other real estate at estimated market value....	4,024,396
Cash on deposit in banks and trust companies...	75,142,686
Cash on hand............	16,650,210
Total collectible interest..	16,612,527
Other assets	1,057,647
Total resources........	$1,465,295,677

LIABILITIES.

Due depositors	$1,380,399,090
Other liabilities	1,641,312
Surplus on market value of stocks and bonds....	83,255,275
Total liabilities	$1,465,295,677
Surplus on par value of stocks and bonds......	98,429,822

The aggregate of the railroad mortgage bonds held by the savings banks is $226,649,598; bonds of cities in this state, $189,049,179, and in other states, $111,918,210. The par value of stocks and bonds is given as $630,343,694; stocks and bonds at $674,901,395.

NO NICKELS OR DIMES.

CHANCELLOR DAY of Syracuse University, in his criticisms of the President's recent message, said:

"As I am one of those 'hired' book writers referred to, a personal word may be permitted. Not a nickel or dime was ever offered to me by any person, company or corporation for a sentence or a paragraph in print in any shape or form whatever."

This is rather vague. No one having a proper conception of the Chancellor's literary ability would offer him a dime for a sentence or paragraph; much less would they offer him a nickel. But a check or bills might have been tendered. Be more specific, Doctor.

SOME DUTIES OF THOSE WHO DEAL WITH BANKS.

By Charles W. Stevenson.

I.—DUTY OF DEPOSITORS IN TIME OF PANIC.

THE people own the banks and direct their operations. If credits are based on deposits, and the people withdraw and hoard their money, the collapse of credit is inevitable. And the time when the banker was thought to be a skinflint, making rates at his pleasure, has gone by. Conditions of business make rates. The banker is powerless to do more than take advantage of them. That the credit he issues is worthy of its hire, every man knows who does business on borrowed money.

We have lately passed through an unusual stress. Without warning to many persons, the banks of the country practically suspended payment. Men who had made arrangements to borrow money found they could not get it. Those who had contracted to do business found themselves hampered for the want of funds. In a few days the country turned from optimism to pessimism.

Some said the bubble of prosperity had burst, and that we would have "hard times." Others said the banks in the large centers were filled with worthless securities. The slump in railroads and industrials was pointed out. For one reason and another everybody began to feel that the tide had indeed turned. There were to be lower prices. Money was to be scarce and high. Banks were to fail. Merchants were to beg extensions of payment. Labor was to go unemployed.

And if anything in the world would make these conditions it is indulgence in such talk. "Hard times will come a knockin' at the door" when everybody invites this by being a knocker. The bankers, knowing this, began to make sure they would not be called on to meet the frenzy of a panic by paying out all the money they had and closing their doors. The result being the condition from which we are emerging.

Wisdom Alone a Remedy for Panics.

Men may talk of a method to prevent panics but they will occur to the end of business time. Until men are able, through wisdom, and this is a long way off for the mass, to control their nerves, and act deliberately, there will be panics.

Men do not reason in a time like this. They simply know that their money is in jeopardy, and they feel it their duty to get it at any cost. It is strange how money looms up in time of panic in the mind of the man. He does not think what a small proportion it is of his property. He seems to magnify its loss into a wholesale calamity, when it is in most cases the smallest part of his wealth. He does not think; he does not reason. It is his money, and he wants it. And with this in view he will stand in line through hours of torture to get a small deposit that he would not notice if he should lose it. Somehow or other this money in the bank stands for everything he needs in the future, with all life's pleasures thrown in. Yet it is just a little that he has saved out of his wages, and his work and wages will go on, and he will be able to make more money.

To those who have, through years, saved, and stinted to save; to those who have placed their all temporarily in the bank expecting to make use of it in other ways, the tying up of the funds works calamity. There is no charity in trying to minimize the closing of a bank. But the greatest effect is in destroying the fountain of credit. This, however, is a question for another place. The fact is, the scared man rushes, at

all cost, to the bank to get his money! He wants to clutch it in his hand. He can not be reasoned with. Told that he cannot lose it, that the bank is solvent, he does not listen. He writes his check and gets in line. And the very air is filled with doubt and distrust. If he gets to the teller's window he will go away and hide his gold.

Banks Responsive to Business.

And yet if a bank is run properly, and the depositors will use it at all times for the legitimate needs and demands of trade, it can never be closed. There is no institution which is more responsive to the nature of the business which brings it into existence than the bank. At all times it is the slave and servant of its customers. And because it is, because it is of so much benefit to the community at large, there is a corresponding duty of the depositor to it. What this duty is in time of panic it is well to consider.

It seems hardly necessary to say that it is the duty of the man to leave his deposit in the bank. All the banks asked, in the recent crisis, was that the customers would write checks. Yet it is not customary for the bank to ask anything. And for that reason the depositor is apt to forget there is a reciprocal relation. Even the man who has borrowed money and placed it to his credit is sometimes the first breathless individual to reach the counter in a scare and demand his money. His money it is with a vengeance! He has not thought out the situation, however. Nor has the man who put the actual cash in the bank. But there is a relation which it is well to remember at all times, especially in time of need on the part of the bank. And this relation is at least one of mutual consideration and good will.

What a Bank Exists For.

It is a fact that banks cannot pay all their depositors at once if called on. They should not be in a position to do so. If they kept themselves in this position they would thwart the greater purpose of their existence. This is to issue credits, to make loans, to the end of furthering the business interests of the country. Therefore they are the friends of all men, customers, and strangers to their doors. For this reason, whether a customer has been accommodated or not, he is bound to respect the need of the bank.

Now, it is not at all desired that the depositor refrain from using his deposit in the legitimate way. None of the banks which limited payments a few months ago asked this. They asked only that instead of withdrawing money, which, if the customer did not hoard someone else would, during the excitement, the customer write a check and explain to the payee that no money could be drawn on it, or at the least a very small sum. And they compelled this procedure, which kept the business of the country moving. But by devious ways there have been some men who, in drawing their deposit, have made for the continuance of the bank scare.

It is the duty of the individual to uphold the bank. So reasonable has been the request that people refrain from hoarding their money, so widespread has been the limitation of payment, that it ought to impress itself on the mind of the reasoning man that this has been but the requirement of wise business conduct, and the people have responded to this in every community with generous kindliness, and they will continue to do so, for the lesson in banking has revealed many things to them not known before.

The bank that has for years taken care of the individual should receive his sympathy and his help, especially when it allows him to continue his business as before by writing checks. It is little short of ingratitude when a man makes a special effort to withdraw his money, or gives checks which will result in withdrawals. The bank is a mechanism responsive to the will of the depositor, as has been said. It is therefore the duty of the depositor to see that it is not crippled in its operation, because of the ignorance and the

frenzy of a class of customers who do not care. The depositor should see that the bank, which can adjust itself to a gradual diminution of deposits if it must, is able to continue its current volume of business. This is a duty he owes to the institution, to general business, and to himself. Therefore, he should write checks. He should adopt that course which is indicated by the banker.

But let it be understood that if he refuses to write checks he is not doing the bank a favor, nor helping the general situation. He is stopping the business of the country to the extent of his participation therein. He is damming the stream. It is as much his duty in time of stress to write checks as it is to leave his deposit in the bank. The check must be deposited, the money need not be. Herein lies the use, and beauty if I might say so, of the plan of compelling patrons to write checks. This is what the bank is for: to transfer credits and credit-power from one man to another, and this is the greatest volume of its great business. To think of this, and to act on it, is the part of wisdom in the depositor.

But there comes a time when the lid is lifted and the bank, throwing down the bars, admits men to do business as before the scare. It is now that a new duty comes upon the depositor. He must still be considerate of this mechanism, a mechanism by the way that has a human heart and brain still, and he should continue to write checks as before. If he knows the meaning now of this plan he will confer a favor on the bank by continuing the practice. There may be, there will be, some who do not know, and others who do not care. It will be bad to have money hoarded at any time. It should always be in the bank where it serves some good purpose aside from its intrinsic worth. So it becomes the duty of the depositor to do as he has been doing, write checks in the transaction of business. It makes the wheels of trade turn swifter and smoother.

Say a Good Word for the Bank.

And now it is his duty also to speak a good word for the bank. The time is ripe for his friendship to count for something. Whatever he may conclude about the business of the immediate future, it is his duty to say, for he knows it to be true, that the bank will be able to continue doing business at the old stand as before, amply able to accommodate any legitimate need of the business world. There will be less lending of money and a higher rate of interest. It is not well to encourage men to borrow and start new and untried enterprises in such a time of contraction and reaction. The bank is helping the community regain its normal state by lending only as the necessity of the case requires. Time is required for the readjustment of affairs made unstable by over-extension of credit and business and by unholy speculation. The depositor should say a good word, and act on that word, in this regard.

It is not necessary that he minimize the extent to which a money panic will develop into an economic crisis. Such a course would be as harmful to the bank as to business and to himself. But he needs to speak with caution, and to illustrate his speech with pertinent allusion to the worth and stability of the banks of his own community. Let it be known that they are not permanently affected by the past few weeks of enforced idleness. The depositor should speak considerately of general business. There will be some failures in the course of the next year, mercantile, manufacturing and banking. But the banks, being automatic in their action, and responding to the needs of trade, as trade is carried on by the will and wish of man, will be just as strong with less deposits as with more. The withdrawal of funds in loans will bear on the community harder than on the bank. The latter will serve and help as before.

(To be continued.)

BANKING AND COMMERCIAL LAW

Conducted by John J. Crawford, Esq.,
Author Uniform Negotiable Instruments Act.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States courts and State courts of last resort will be found in the Magazine's Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

NOTE TRANSFERRED AS SECURITY FOR ANTECEDENT INDEBTEDNESS—BONA-FIDE HOLDER FOR VALUE.

FIRST NATIONAL BANK OF MORRISON VS. BUSCH.

SUPREME COURT OF MINNESOTA, NOV. 22, 1907.

In Minnesota a bona-fide indorsee of negotiable paper as collateral security for an antecedent indebtedness holds the paper free from defenses which might have been available between the original parties.

Under this rule there is no distinction between an antecedent debt in the form of an absolute liability and the contingent liability of an indorser.

THIS was an action upon a promissory note. Upon the trial the court directed a verdict in favor of the plaintiff, and from an order denying a motion for a new trial the defendant appealed.

ELLIOTT, *J.:* It is the settled law of this state that an indorsee of negotiable paper before maturity as collateral security for an antecedent indebtedness, in good faith and without notice of defenses which might have been available between the original parties, holds the same free from such defenses. We have adopted the rule which prevails in the Federal courts, and very generally elsewhere, under which it is not necessary that a new consideration, other than such as results from the transaction itself, shall be paid at the time of the transfer. (Rosemond vs. Graham, 54 Minn. 323, 56 N. W. 38, 40 Am. St. Rep. 336; Bank of Montreal vs. Richter, 55 Minn. 362, 57 N. W. 61; Haugan vs. Sunwall, 60 Minn. 367, 62 N. W. 398; Turle vs. Sargent, 63 Minn. 211, 217, 65 N. W. 349, 56 Am. St. Rep. 475; St. Paul Gaslight Company vs. Village of Sandstone, 73 Minn. 225, 235, 75 N. W. 1050.)

We are unable to see any distinction, so far as this question is concerned, between an antecedent debt in the form of an absolute liability and the contingent liability of an indorser, and no such distinction appears to have been made in the cases. (Miller vs. Pollock, 99 Pa. 202; First National Bank vs. Stockell, 92 Tenn. 252, 21 S. W. 523, 20 L. R. A. 605.)

It is sufficient if the transferee of the collateral note is in such contract relations with the transferee as renders it advantageous to the transferee to have additional security for the performance of the antecedent obligation.

The note in question for $1,000 was given by the defendants to Champlin Bros. and bore date June 15, 1903. Upon the same date there was indorsed

upon the note a payment of $365, which left a balance of $635, which became due according to the terms of the note on July 5, 1905. It appears that Champlin Bros. had previously discounted certain paper with the First National Bank of Morrison, respondent herein, and had agreed to deposit collateral security for their liability upon such indorsement, when required to do so by the bank. On April 11, 1905, Champlin Bros. were thus indebted to the bank for the sum of $4,781.11, and upon being called upon for security transferred this note to the bank as collateral. The evidence does not show directly the amount of this debt which was unpaid when this action was commenced, but soon thereafter, when the deposition of the cashier of the bank was taken, it appeared that it had been reduced to $814.96, thus still remaining in excess of the face of this note. After these facts had been made to appear the court refused to receive evidence tending to show that Champlin Bros. had obtained the note from the defendants by fraudulent means. We cannot see that there was any error in this ruling as the only possible result of establishing the fact that the note was fraudulent in its inception would have been to throw the burden upon the bank of proving that it was a bona fide purchaser for value without notice of the fraud. But the bank had already assumed this burden, and had established the fact by evidence which was practically conclusive. The transaction was with the cashier of the bank, and he testified positively that he represented the bank, and in effect that no other officer of the bank knew anything of or had anything to do with the matter. (Bank of Montreal vs. Richter, 55 Minn. 366, 57 N. W. 62.) There is nothing in the evidence to suggest that the bank acted in bad faith, and unless something of this nature appears it cannot be charged with the duty of making inquiries with reference to the existence of possible defenses. (Merchants' National Bank vs. McNeir, 51 Minn. 128, 53 N. W. 178; Merchants' National Bank vs. Sullivan, 63 Minn. 468, 65 N. W. 924; Gale vs. Birmingham, 64 Minn. 555, 67 N. W. 659; Collins vs. McDowell, 65 Minn. 110, 67 N. W. 845; Drew vs. Wheelihan, 75 Minn. 68, 77 N. W. 558.)

As the bank was conclusively shown to be a good faith holder of the paper for value, the court properly excluded the evidence tending to show a defense which was available only between the original parties to the paper, and directed a verdict in favor of the plaintiff.

The order appealed from is therefore affirmed.

ACCOMMODATION NOTE OF CORPORATION — DIVERSION —BONA-FIDE HOLDER.

IN RE HOPPER-MORGAN CO.

UNITED STATES CIRCUIT COURT, N. D. NEW YORK, OCTOBER 26, 1907.

A person to whom an accommodation note has been delivered to be used as collateral merely has no right to sell it.

A willful disregard of human facts showing infirmity in a negotiable instrument or want of title, or a willful evasion of knowledge of the fact, will defeat the right of a purchaser to recover thereon.

If the purchaser in good faith makes inquiry pursuant to his suspicion when it is his duty so to do, and is even grossly negligent in so doing, his negligence, however gross, does not constitute bad faith, but if he willfully fails to gain the information when it is at hand, and when it is his duty to do so, he is deemed guilty of bad faith.

THIS was a proceeding to review the decision of a referee in bankruptcy disallowing the claim of the Robertson Paper Company on a promissory note for $2,500, dated July 25, 1905.

Prior to the date of the note the treasurer of the bankrupt company, without authority from the company, issued and delivered to one Trautwine a number of notes purporting to be the notes of the company, upon the agreement that they were to be used as collateral only, and for the accommodation

of the Emerson Manufacturing Company, a corporation, and would be taken up and returned before due so as not to become a charge upon the Hopper-Morgan Company. After these notes had passed into the hands of Trautwine, and at about the time they were to become due, Morgan, without authority of the company, made the note in question, and delivered it to one Morton, upon the agreement that it should be used for the same purpose only for which one of the original notes, and which it was to replace, had been issued. Morton paid nothing of this renewal note, and it was conceded that Trautwine and Morton and their agents did not use the note in question in place of the original note, but disposed of it in some way in violation of the agreement made when it was issued.

RAY, *District Judge:* I do not think that a person who holds an accommodation note, with the right to use it as collateral merely, has the right to sell it outright, or that a person dealing with him, with knowledge of the limited use to which the note could be put, has the right to purchase same outright. If the purchaser of the note has actual knowledge of the infirmity in the note, or want of title in the one from whom he takes it, that, of course, ends the case. If he has no such actual knowledge, then bad faith or a willful disregard of known facts showing the infirmity or want of title or a willful evasion of knowledge of the facts will be sufficient to defeat recovery. Facts sufficient to create a suspicion of the truth are not sufficient to show knowledge or bad faith, nor is mere gross negligence in making inquiry, or in failing to make inquiry, alone, sufficient. There must be either actual knowledge or bad faith. Bad faith may be shown by a willful disregard of and refusal to learn the facts when available and at hand. (Joyce, Defenses to Commercial Paper, sec. 475, p. 596; Goodman vs. Simonds, 20 How. 343; Lytle vs. Lansing, 147 U. S. 59, 71; Swift vs. Smith, 102 U. S. 442-444; Brooklyn City & N. R. Co. vs. National Bank of the Republic, 102 U. S. 14-38, 41; Shaw vs. National Bank of St. Louis, 101 U. S. 557, 564; Cromwell vs. County of Sac, 94 U. S. 362; Commissioners of Marion County vs. Clark, 94 U. S. 278, 286; Hotchkiss vs. National Bank, 21 Wall. 354, 359.)

A person about to take a negotiable promissory note cannot willfully shut his eyes to information or means of information or knowledge which he knows are at hand. He cannot willfully evade knowledge which he knows, or has reasonable cause to think, would show a defect in the note or want of title. He must act in good faith, not in bad faith. Circumstances may be such as to impose an active duty of inquiry and investigation, and, if such duty is not performed, it may be conclusive evidence of bad faith; that is, the law may charge the party with knowledge which was at hand, available, and to which he willfully shut his eyes; that is, he might have known the truth, ought to have known the truth, had good reason to suspect the truth, and did, but willfully refused to become fully acquainted with it. (Hazlehurst vs. The Lulu, 10 Wall. 192, 201; Doe vs. Northwestern Coal & Transportation Co. [C. C.] 78 Fed. 62, 68; Atlas National Bank vs. Holm, 71 Fed. 489, 491, 19 C. C. A. 94, affirmed in Holm vs. Atlas National Bank, 84 Fed. 119, 28 C. C. A. 297.)

In Hallock vs. Young, 72 N. H. 416, 419, 420, 57 Atl. 236, 238, the court said:

"It was said, in the leading case on the subject in this country, that 'every one must conduct himself honestly in respect to the antecedent parties when he takes negotiable paper, in order to acquire a title which will shield him against prior equities. While he is not obliged to make inquiries, he must not willfully shut his eyes to the means of knowledge which he knows are at hand * * * for the reason that such conduct, whether equivalent to notice or not, would be plenary evidence of bad faith.'"

In Raphael vs. The Bank of Eng-

land, 17 Common Bench, cited by the claimant, Willes, J., cites with approval and quotes Parke, J., in May vs. Chapman, 16 M. & W. 355, viz.:

"Notice and knowledge mean not merely express notice, but knowledge or the means of knowledge to which the party willfully shuts his eyes—a suspicion in the mind of a party—and the means of knowledge in his power willfully disregarded."

If the party in good faith makes inquiry pursuant to his suspicion, when it is his duty so to do, and is even grossly negligent in so doing, if his failure be negligence only, however gross, he cannot be charged with knowledge or bad faith, but if he willfully fails to gain the information when it is at hand, and when it is his duty so to do, then he shows bad faith, for it is a willful evasion of knowledge for a purpose and which he ought to obtain.

In this case, it is conceded that the note in question was void and non-enforceable against Hopper-Morgan Company except in the hands of a bona fide holder in good faith and for value. It was issued for a special purpose, and its use limited. It was issued without consideration and without authority from the company. When the Robertson Paper Company presented its claim with the note attached, and showed that it took same before due, as the note is fair on its face, the presumption attached that it was executed and delivered to Prescott; he being first indorser after Hopper-Morgan Company, the payee, for value, and that he received it in good faith. The presumption was also that the Robertson Paper Company was a holder of the note in good faith and for value.

* * * * * *

I am of the opinion that, when the trustee had shown the illegal inception of the note and the circumstances under which it was issued and the fraudulent diversion, the burden was thrown on the claimant company to show that it took the note for value and in good faith. It has failed to show that it took the note in good faith. In fact, bad faith is shown. Failing in this, the burden was on the claimant company to show that it took the note from one who held the same in good faith and for value. The claimant company has not shown affirmatively that Prescott took the note from Mugler or some other person in good faith and for value. The evidence fails to show affirmatively and directly that Prescott was a holder of the note either without consideration or in bad faith, but I think the burden was upon the claimant company to show affirmatively that Prescott purchased the note for value and in good faith from some one; that the statement, in the statement of facts, that Prescott informed Babbitt that he could sell an automobile to Mugler in exchange for the note of Hopper-Morgan Company, and the further fact that subsequently Prescott had possession of the note, is insufficient to show that Prescott purchased the note from Mugler or any other person in good faith and for value, in part payment for an automobile, or otherwise.

It is not necessary to go extensively into the authorities, as they are collated in the case (In re Hopper-Morgan Co. [D. C.] 154 Fed. at pages 261 and 257.)

In First National Bank vs. Green, 43 N. Y. 298, Rapallo, J., said:

"A plaintiff, suing upon a negotiable note or bill purchased before maturity, is presumed, in the first instance, to be a bona fide holder. But when the maker has shown that the note was obtained from him under duress, or that he was defrauded of it, the plaintiff will then be required to show under what circumstances and for what value he became the holder. (2 Greenl. Ev. sec. 172; McClintock vs. Cummins, 2 McLean, 98 Fed. Cas. No. 8,698; Munroe vs. Cooper, 5 Pick. [Mass.] 412; Holme vs. Karsper, 5 Bin. [Pa.] 469; Vallett vs. Parker, 6 Wend. [N. Y.] 615; 1 Camp. 100; 2 Camp. 574; Case vs. Mechanics' Banking Ass'n., 4 N. Y. 166.) The reason for this rule, given in the later English cases, is that: 'Where there is fraud, the presumption is that he who is guilty will part with the note for the purpose of enabling

some third party to recover upon it, and such presumption operates against the holder, and it devolves upon him to show that he gave value for it.' (Bailey vs. Bidwell, 13 Mees. & W. 73, approved in Smith v. Braine, 3 Eng. L. & Eq. 379, and in Harvey vs. Towers, 4 Eng. L & Eq. 531.)"

This case has been repeatedly recited and approved. (See Vosburgh vs. Diefendorf, 119 N. Y. 365, 23 N. E. 801, 16 Am. St. Rep. 836.)

The fraud is imputed to and affected Prescott, unless it is shown that he took in good faith. On the whole case, and in every view of it, I am satisfied that the referee arrived at the correct conclusion and was right in rejecting the claim presented by the Robertson Paper Company upon this note.

The order rejecting the claim is therefore affirmed.

CASHIER OF NATIONAL BANK—AGREEMENT TO ACCEPT PAYMENT IN MONEY.

FIRST NATIONAL BANK OF LINEVILLE VS. ALEXANDER.

SUPREME COURT OF ALABAMA, NOV. 14, 1907.

An officer of a national bank has no authority to agree to accept anything but money in payment of a note indorsed to the bank.

THIS was an action upon a nonnegotiable note executed by the defendant to one J. M. Minnis, and transferred by Minnis before maturity to the plaintiff. The case was tried upon issue joined upon the general issue, payment, and special plea No. 6, which is as follows: "(6) For further plea defendant says that plaintiff knew that the said note was to be paid in work, and after the execution and transfer of note to him agreed that the same should be paid in work, and after plaintiff acquired the same from J. M. Minnis on the following terms: That all of the work and labor that the defendant did on the B. & L. R. R. grade was to be credited on said note, except enough to feed the mules, and that he was never to pay any money for them. And defendant avers that he paid to plaintiff by work on said grade all that was due on the said note prior to the commencement of this suit, and that the cashier of said bank, R. L. Ivey, when on the grade, informed him that he had paid off the note and that he would give the note to defendant. And defendant says that after this he was paid all his money he earned by labor on said grade; that cashier promised to bring the note to defendant on the grade, but he never came again."

Demurrers were interposed to this plea as follows: "(1) It is not averred that Ivey, as cashier, had authority to make agreement as set forth in said plea. (2) Said agreement is an ultra vires act on the part of Ivey as cashier of the bank, in that he was without authority to bind the bank by a contract for work and labor to be performed in grading a railroad."

Other demurrers raised similar propositions. These demurrers were overruled, and on final hearing there was judgment for defendant.

SIMPSON, *J.* (omitting part of the opinion): But plea 6 does not show that the corporation ever received any benefit from the work which was done on the railroad. There is only an intimation that there was an agreement between the maker and the payee that the note was to be paid in work, and, if there was such an agreement, yet it would not amount to a binding agreement, so long as it was executory. (Patrick vs. Petty, supra; Tuskaloosa Cotton Seed Oil Co. vs. Perry, 85 Ala. 159, 167, 4 South. 635.) Consequently, when the bank received the note, it was not bound to accept payment in anything but money, and no officer of the bank had the authority to agree to receive anything but money in payment thereof. (Bank of Commerce vs. Hart, 37 Neb. 197, 55 N. W. 631, 633, 20 L. R. A. 780, 40 Am. St. Rep. 479.)

This being the law, and there being no principle of estoppel set out in the pleading, as above stated, it results

that the demurrer to plea 6 should have been sustained.

The judgment of the court is reversed, and the cause remanded.

DEPOSIT IN SAVINGS BANK—INHERITANCE TAX UPON.

MANN VS. STATE TREASURER.

SUPREME COURT OF NEW HAMPSHIRE, NOV. 5, 1907.

Deposits made by a resident of New Hampshire in savings banks located in other states are taxable under the statute of New Hampshire imposing a collateral inheritance tax on all "property within the jurisdiction of the state."

THIS was a proceeding by Bushrod W. Mann, executor of Susan H. Mann, deceased, for the assessment of a collateral inheritance tax.

The decedent was at the time of her death a resident of New Hampshire, but a considerable part of her estate consisted of deposits in savings banks located in Massachusetts. The judge of probate decreed that these deposits were not taxable, but the Superior Court, on appeal, held that this was erroneous. The executor of the estate then appealed to the Supreme Court.

WALKER, *J.:* Before the death of the testatrix her interest in the Massachusetts savings banks, created by her deposit of money therein, was property in this state, because she lived here; and no reason is perceived why, if the Legislature had enacted a statute taxing the right of a resident to savings bank deposits in another state, the legislation would not have been valid, so far as the question of jurisdiction is concerned. It might have been held unconstitutional on other grounds (Berry vs. Windham, supra; Robinson vs. Dover, supra), but not on the ground of a want of jurisdiction, where the owner of the savings bank right resided here.

Even if it is deemed that the property is physically in another state, where the owner must go to acquire complete control of his money, it does not follow that the state where the owner has his domicile has no jurisdiction with reference to it. This point is illustrated by cases holding that the personal property of a deceased person, though in another state, descends according to the law of his domicile. "When an individual dies possessed of estate in different governments, it seems to be settled as a general rule that his personal property, or movable estate, is to be distributed among his heirs or legatees according to the law of the place in which he had his domicile at the time of his decease." (Goodall vs. Marshall, 11 N. H. 88, 89, 35 Am. Dec. 472.) "There is sufficient evidence that the actual domicile of the deceased was in New Orleans at the time of his death. * * * And the succession to personal property is governed exclusively by the law of the actual domicile of the intestate at the time of his death." (Leach vs. Pillsbury, 15 N. H. 137, 138; Emery vs. Slough, 63 N. H. 552, 535, 4 Atl. 796, 56 Am. Rep. 543.)

In Frothingham vs. Shaw, supra, it is said (page 62 of 175 Mass., page 625 of 55 N. E., 78 Am. St. Rep. 475): "If there are movables in a foreign country, the law of the domicile is given an extra territorial effect by the courts of that country, and in a just and proper sense the succession is said to take place by force of and to be governed by the law of the domicile. Accordingly it has been held that legacy and succession duties as such were payable at the place of domicile in respect to movable property wherever situated, because in such cases the succession or legacy took effect by virtue of the law of domicile. (Wallace vs. Attorney General, L. R. 1 Ch. 1; Dicey, Confl. Laws, 785; Hanson's Death Duties, 423, 526.)"

* * * *

From the foregoing discussion the conclusion follows: (1) That the Legislature of 1905 presumably adopted in the statute in question the construction put upon identical language in the Massachusetts statute; (2) that the deceased's right created by her deposit in

foreign savings banks is a property right, in fact, is property; (3) that such property was at least constructively within this jurisdiction at the time of her death; and (4) that it then passed under her will by force of our statute of wills. If these conclusions are sound, the deposits in question fall within the operation of the statute creating a so-called inheritance tax upon legacies.

But it is further contended that such a construction of the statute results, or may result, in double taxation; that is, in the imposition of one inheritance tax in this state and of another in the state where the property is in fact situated. This objection, of course, would have no practical significance if the property was situated in a state having no statute of that character. Suppose these deposits were in savings banks in Rhode Island, where, it is said, there is no inheritance tax law. In such a case it would be necessary to hold, in order to be consistent with the argument, that the imposition of the tax or duty here would be legal and right, but, that, when they are in banks in a state having such a statute, the tax here would be illegal and wrong. Inasmuch as the statute makes no such distinction, as it does in the case of the taxation of stock in a foreign corporation owned by a resident (Pub. St. 1901, c. 55, s. 7), such an intention on the part of the Legislature cannot be found.

If the imposition of such a tax in each of two states upon bank deposits passing by will or inheritance is in some sense "double taxation," it is not obnoxious to any constitutional principle involved in, or governing, the inheritance tax law. As the property is deemed to be here so as to be controlled by our laws in its devolution, those who acquire title to it, through the operation of our laws relating to the estates of deceased persons, must take the benefits charged with the burdens imposed by those laws. "The fact that two states, dealing each with its own law of succession, both of which the plaintiff in error has to invoke for her rights, have taxed the right which they respectively confer gives no cause for complaint on constitutional grounds." (Blackstone vs. Miller, 188 U. S. 189, 206, 207, 23 Sup. Ct. 277, 47, L. Ed. 439.)

The fact that the property may be subject to a similar burden in another state does not deprive this state of its power to impose the tax here upon the property which passes by inheritance or by will under our laws. The material inquiry relates to the legality of the tax in this jurisdiction. "The fact that the plaintiffs' ice, stored in this state, has been taxed to them in Massachusetts, and that they have paid the tax there, is immaterial. The question is: Is it rightfully and legally taxable here? If it is, then its taxation in another state does not render its taxation here wrongful and illegal." (Winkley vs. Newton, 67 N. H. 80, 82, 36 Atl. 610, 612, 35 L. R. A. 756.)

The Legislature did not intend to impair the effectiveness of the inheritance tax law by making its operation dependent upon the action or nonaction of other states with reference to personal property of resident decedents, which might have a physical situs therein; and there is no constitutional provision limiting the power of the Legislature to make a collateral inheritance tax applicable to all property passing under our laws. (Thompson vs. Kidder, supra.) It is inexact and misleading to say that this result sanctions double taxation, which the policy of this state does not tolerate. Whether the burden imposed by the inheritance law is properly called a tax it is unnecessary to inquire; for, if it is, the Legislature has not attempted to impose more than a single tax on the property of a decedent passing collaterally under our laws. If some other state makes a claim to the property under its tax laws and for the support of its institutions, the exercise of such power, whether rightful or wrongful, does not make the exercise of similar power by this state, for the support of

its institutions, illegal on the ground of double taxation. The two burdens are created by different and independent states, for wholly different local purposes, and are as distinct and as irrelevant the one to the other, on the question of double taxation, as were the two taxes assessed upon the plaintiffs' ice in Winkley vs. Newton, supra.

This result is also in accord with the general trend of the authorities upon the subject. As said in Re Hartman's Estate, 70 N. J. Eq. 664, 667, 62 Atl. 560: "The great weight of authority favors the principle adopted by the New York Court of Appeals, holding that the tax imposed is on the right of succession under a will, or by devolution in case of intestacy, and that, as to personal property, its situs, for the purpose of a succession tax, is the domicile of the decedent, and the right to its imposition is not affected by the statute of a foreign state, which subjects to similar taxation such portion of the personal estate of any nonresident testator or intestate as he may take and leave there for safe-keeping, or until it should suit his convenience to carry it away."

In addition to cases already cited, see Hopkins' Appeal, 77 Conn. 644, 60 Atl. 657; Bridgeport Trust Co.'s Appeal, 77 Conn. 657, 60 Atl. 662; Matter of Swift's Estate, 137 N. Y. 77, 32 N. E. 1096, 18 L. R. A. 709; Matter of Houdayer, 150 N. Y. 37, 44 N. E. 718; State vs. Dalrymple, 70 Md. 294, 17 Atl. 82, 3 L. R. A. 372; Eidman v. Martinez, 184 U. S. 578, 581, 22 Sup. Ct. 515, 46 L. Ed. 697; Dos Passos, Inher. Tax. s. 29; Dicey, Confl. Laws, 682 et seq. But see In re Joyslin's Estate, 76 Vt. 88, 56 Atl. 281.

Exception overruled; appeal sustained. All concurred.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B.A., LL.B., Barrister, Toronto.]

BANKS AND BANKING—RATE OF INTEREST—AGREEMENT TO PAY MORE THAN STATUTORY RATE—BANK ACT, SEC. 80, DOM. STAT. 1890, CAP. 31.

WILLIAMS VS. CANADIAN BANK OF COMMERCE (13 B. C. R., P. 70).

STATEMENT OF FACTS: This was an action to recover part of the interest paid by the plaintiff to the bank, being the difference between seven per cent. per annum and twenty-four per cent. per annum, the latter being the rate charged to the plaintiff under an agreement contained in a letter written by him to the bank.

At one time the plaintiff owed the defendant for principal and interest, approximately $36,000, and to secure payment of the same, the bank held a mortgage on the plaintiff's mining property. The plaintiff procured a purchaser for the mining property, and requested the purchaser to pay to the bank, out of the purchase moneys, the amount claimed by it, in order to secure a release of the mortgage.

The principal money and interest were accordingly paid to the bank. The plaintiff stated it was paid under protest. The evidence for the bank was that the amount was paid voluntarily, and the bank produced a document signed by the plaintiff, shortly after the mortgage moneys had been paid to the bank, in which the plaintiff authorized the bank to apply the amount so paid into the bank in payment of his indebtedness.

JUDGMENT (HUNTER, *C.J.*): In my opinion, this action must be dismissed. The first question to decide is as to the meaning of section 80 of the Bank Act, which provides that "the bank shall not be liable to incur any penalty or forfeiture for usury, and may stipulate for, take, reserve or exact any rate of interest or discount not exceeding seven per cent. per annum, and may receive and take in advance any such rate, but no higher rate of interest shall be recoverable by the bank; and the bank may allow any rate of interest whatever upon money deposited with it."

The Court of Appeal for Quebec decided that under this section money paid voluntarily could not be recovered back. I agree with this decision and see nothing in the language by which a stipulation or contract to take a higher rate of interest is made illegal. The sole effect of the section is to render such a contract unenforceable and it would follow that if the contract is not made illegal, money paid under it cannot be recovered back, although the bank could not at law recover more than seven per cent.

BANK CHECK — FORGERY — INDORSEMENT—LIABILITY AS BETWEEN BANKS FOR LOSS OF MONEY PAID ON FORGED CHECK—BILLS OF EXCHANGE ACT, R. S. C. 1906, ss. 50, 74, 133 (c).

UNION BANK VS. DOMINION BANK (17 MAN. R., P. 68.)

STATEMENT OF FACTS: The Manitoba Government issued its check on the Union Bank of Canada in favor of the Consolidated Stationery Co. for six dollars, and one Jones, a clerk in the company's employ, received it into his possession. He erased the name of the payee, substituting the fictitious name of William Johnson, and raised the amount of the check to $1,000.00. The alterations were so skillfully made that the check passed the scrutiny of two banks without the fraud being detected.

JONES, having indorsed the check in blank in Johnson's name, endeavored to negotiate it at the Union Bank. The accountant refused to cash it without identification and Jones left, saying he had done business with the Bank of Montreal and would arrange it there.

On January 26 Jones called at a branch office of the Dominion Bank, stating he wished to open a savings bank account. The manager asked him several questions which, apparently, Jones answered to his satisfaction. The account was then opened in Johnson's name (whom Jones represented himself to be) Jones depositing the check to Johnson's credit and withdrawing $25 in cash.

The $1,000 check was then marked on the back with a rubber stamp in a manner which, under the rules of the local clearing-house and the practice among Winnipeg bankers, had the legal effect of an indorsement in blank by the defendant bank. It was then cleared and duly honored by the Union Bank on the following day, January 27.

On February 1, Jones, in the character of Johnson, drew, by check, an additional $800 from his account in the Dominion Bank. It was clear from the evidence that the defendant bank, in making this payment, relied on the fact that the $1,000 check had been honored and that it would not have advanced any considerable sum over $25 on the 26th under circumstances as they then existed.

On February 3 the forgery was discovered by an official of the Government in verifying the returned January checks and notice was immediately given to the Dominion Bank and repayment demanded. The demand, at first verbal, was put in the form of a letter on February 17.

The case was tried before Dubuc, C. J., who gave judgment in favor of defendant, and plaintiff appealed.

JUDGMENT: (HOWELL, *C.J.A.*; RICHARDS, PERDUE and PHIPPEN, *J.J.A.*): The defendant does not deny the plaintiff's right to recover the $175 still on hand, for which judgment has been entered below, or the sum of $25 paid before the check was cashed. Defendant's counsel admits that if the $1,000 was still with the defendant bank plaintiff would be entitled to recover, but claims that the $800 having been disbursed subsequently to the plaintiff's payment of the fraudulent check, the plaintiff will not now be heard to demand it back.

In the view I take of the law the plaintiff must succeed. This is not the case of a bank paying a check to which the drawer's signature has been forged. In such a case the paying bank is assumed to know the signature of its own customer, or, as Chief Justice Moss puts it in Bank of Montreal vs. Rex, 11

O. L. R. 600, the paying bank relies, or is deemed to rely, on its own knowledge of its customer's signature rather than on any implied representation made by the bank demanding payment. But a bank presenting a check for payment ought to know its own title. Acceptance of a bill, while estopping the acceptor from denying the drawer's signature, is not an acknowledgment of the signature of an indorser, when, at least, the indorser is not the drawer.

A bank upon which a check is drawn cannot be called upon by the holder to guarantee, or even pass upon, the signatures of indorsers, apparently in order, through which the holder claims. That is the holder's own business. The drawee cannot be called upon to say that the check was originally issued for the amount it calls for when presented. That is something of which it is not expected to have previous knowledge. It must determine if it is satisfied to accept the maker's signature as the genuine and proper signature of its customer, if it is in funds to meet the demand, but it does this ordinarily on the implied representation from the person presenting that he is in fact its lawful holder and that it is a check for the amount shown on its face. In other words, a holder requesting payment represents his title to the document and the amount, but not the maker's signature. Should the implied representation prove untrue, the receiver can be called upon to repay as for a breach of contract; and, meeting the defendant's contention, payment upon a representation, express or implied, cannot itself be made the basis of an estoppel against the representor in an action for its breach.

Holding thus, it does not seem to me the defendant can avoid its admitted obligation to return the money received, because it subsequently paid it to Jones. Assuming the case did raise this question, the fact that the Dominion Bank relied on the payment by the Union Bank when disbursing the $800 does not, to my mind, work an estoppel. It had no business to rely on this fact. The Union Bank did not, by payment, represent that Johnson was entitled to the money. It did not represent that the check was originally lawfully issued for $1,000. On these points it was the duty of the Dominion Bank to be itself informed. It may have become the plaintiff's duty to bring the fact of payment to the attention of its principals, the Government, within reasonable time, and should anything then prove wrong, to promptly notify the defendant, but in this case no question of such an estoppel arises.

Implied representation or warranty is a question arising out of the facts of each particular case, and, to sustain an action, must not only be untrue but must be relied upon by the person to whom made. It might well be that a check could be paid or a bill accepted under circumstances which would imply no representation by the holder, or which would make it apparent that, if implied, the representation was not relied on. In the present case there is no evidence to negative the ordinary presumption arising from demanding and receiving payment. On the contrary, the fact that the plaintiffs had refused to pay Jones in person, while readily cashing the check for the Dominion Bank, tends to show that the implied representation was material.

PROMISSORY NOTE—BILLS OF EXCHANGE ACT—DOM. STAT. 1890, CAP. 33, SEC. 48—DEMAND NOTE—NOTICE OF DISHONOR TO INDORSER — WHETHER NECESSARY.

ROYAL BANK OF CANADA VS. KIRK AND RUMBALL (13 B. C. R., P. 4).

JUDGMENT (MARTIN, *J.*): Judgment herein, as regards the defendant Rumball, was suspended in order to allow the plaintiffs' counsel an opportunity to hand in authorities supporting his contention that, despite section 48 of the Bills of Exchange Act, it is not necessary before action to give notice of dishonor to an indorser of a

demand note. Since then the authorities have been submitted and considered by me, but I find they relate to the case of a maker and not an indorser, which is quite a different thing. Consequently I hold that notice was necessary and judgment, therefore, will be entered for said defendant. As regards section 85, the case is not, in my opinion, within it on the facts.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

WAIVER OF PROTEST.

Ft. Wayne, Indiana, Feb. 7, 1908.

Editor Bankers Magazine:

Sir: Please give us the law governing the following case: A note was received by us for collection from a local bank with instructions attached to "protest, if not paid." The note in question contained a waiver of protest, "the drawers and endorsers severally waive presentment for payment, protest and notice of non-payment of this note." Our clearing house has a rule prohibiting the protest of all paper containing this waiver.

The attorney of the local bank has advised them as collecting agents they are liable for damages in not protesting, or causing to be protested, the note in question under their special instructions to do so, and that the waiver contained in the note, and the clearing house rule, do not relieve them from liability to their correspondent for failure to protest.

Do the instructions of collecting bank to protest govern the case as against waiver embodied in the instrument itself?

Can the holder recover any damage from collecting bank for failure to protest when special instructions to do so are given in the face of waiver of protest, which is a part of the contract embodied in the note itself?

Can the drawer recover damages against the bank protesting the note for injury to his credit, by protesting his paper containing a waiver?

H. N. Freeman, *Cashier.*

Answer.—The holder of commercial paper has the right to protest the same, notwithstanding the waiver of protest contained in the instrument itself, for such waiver is inserted for *his* protection, and, if he sees fit, he may elect to rely upon the legal effect of a protest, rather than upon the waiver; and occasions may arise where this course would be wise.

The holder, therefore, has a right to require a collecting bank, acting as his agent, to protest such paper, and a failure to comply with such a direction is a breach of the duty of the agent. But if the waiver is effective, the fault of the collecting bank is merely technical; for if the parties are bound on the instrument notwithstanding the omission to protest, no injury has resulted to the holder, and he could recover no more than nominal damages, viz., six cents. As the waiver is intended merely for the benefit of the holder, the drawer has no right to complain if the holder ignores this provision and protests the draft, and he would have no cause of action against the holder or his agent for so doing.

DRAFT—TIME ALLOWED FOR ACCEPTANCE.

———, Penn., Feb. 6, 1908.

Editor Bankers Magazine:

Sir: Does the law in Pennsylvania give the drawee of a sight draft the right to twenty-four hours to answer [accept or refuse]? If so, can a bank protest same, without incurring liability, on the day of presentation? This question arises out of a case where money has been paid at the place of origin of the draft and same is sent through, either for cash or collection, the party on whom drawn habitually asking for drafts to be held until next day, apparently to save the one day's interest.

Pennsylvania.

Answer.—The Negotiable Instruments Law provides that "the drawee is allowed twenty-four hours in which to decide whether he will *accept* the bill." (Sec. 136, Penn. Act.) But there is no provision in the act giving the drawee time for consideration where the bill is presented for *payment,* nor had he any such right under the law merchant. If a sight draft is not paid when pre-

sented, it may be treated as dishonored, and protested for non-payment. (Neg. Inst. Law, secs. 71, 84, 118, 162.)

DRAFT—FAILURE OF DRAWEE.

BROOKLYN, N. Y., Feb. 21, 1908.

Editor Bankers Magazine:

SIR: Can you give me the legal status of the following case: A party purchases a foreign draft of a commercial bank, and forwards the same to Ireland, where it is paid. Upon presentation to the drawee, the draft is refused, because of temporary suspension of the drawer in the meantime. Party in Ireland returns draft to the buyer, who demands payment from the bank issuing the same. Being in the hands of the Bank Department, the affair is held open, pending results.

It strikes me that the bank was simply the agent for transferring the funds, and in the event of liquidation, the holder will not be a general creditor, for it was not a deposit that was made. The buyer said in effect: "Here's fifty dollars—send it to Ireland for me." The funds can be traced and the bank never had title. Am I right?

W. H. KNIFFIN, JR., *Cashier.*

Answer.—Where a bill of exchange is purchased from a bank in the ordinary course of business, the title to the money passes to the bank, just as it would pass to the seller in any other case. Such a transaction is ordinarily spoken of as "buying exchange," and, in legal effect, it is a sale. If, however, the bank issuing the draft was insolvent at the time, and this fact was known to its officers, then the transaction would be vitiated by fraud, and the purchaser of the draft would have the right to repudiate the transaction and reclaim the money paid by him. (See Cragie vs. Hadley, 99 N. Y. 131.) In the absence of such fraud, however, the claim of the holder of the draft would be against the bank as drawer, and as such he would be only a general creditor.

BANKRUPTCY—PRIORITY OF LIEN.

ELLISVILLE, MISS., Feb. 5, 1908.

Editor Bankers Magazine:

SIR: A lumber company sells two cars of lumber to a wholesale lumber buyer. This was on November 5. It was sold on usual terms, sixty days or two per cent. cash. It was not paid for when due. The seller made demands for payment. The buyer has now gone into bankruptcy. The seller did not know that the latter was not in good financial condition. Can the seller ask for payment as a preferred creditor on account of the sale having been made within four months, or will he have to take chances with all others? If this lumber has not been paid for by the parties to whom it was finally sold to can the original seller, the shipper, garnishee the final purchaser and make it hold, and hold the money when collected as against other creditors?

CASHIER.

Answer.—We do not see how the seller can obtain any preference over the other creditors of the bankrupt. The four months mentioned in the Bankruptcy Law have reference to payments by the bankrupt, and transfers made *by him*. The fact that the transaction has occurred within four months before the filing of the petition does not give the creditor any priority over those creditors whose claims accrued more than four months before.

PERPETUATING THE DEBT.

IT is cheering to record that there is still some sentiment left against running into debt. Here is what the "Springfield (Mass.) Republican" says:

> Justice Brewer of the United States Supreme Court still holds and preaches to the text that public debts are not public blessings. This is the right sort of talk, even if it does compel us to condemn the Aldrich Currency Bill, which would extend the mischievous system of basing circulating notes upon Government bonds—thus tending to expand and perpetuate public debts for note circulation purposes merely.

For many years THE BANKERS MAGAZINE has protested against the perpetuation of the debt for this purpose, and we are glad to have our views indorsed by such high authorities as a member of the Supreme Court of the United States and the "Springfield Republican."

CURRENT OPINION

INSURANCE OF DEPOSITS.

MANY bankers believe that the insurance of bank deposits will, to a large extent, deprive well-managed banks of the advantages accruing to them from their reputation for strength and safety, built up only by years of careful effort. This view was expressed in a recent communication from James B. Forgan, president of the First National Bank, Chicago, addressed to Hon. Wm. J. Bryan. The following quotation is made from Mr. Forgan's letter:

"The good will of the First National Bank of Chicago, over which I have the honor to preside, has been valued by the discriminating public for many years at about $150 per share. By this I mean that its shares have sold on the market for that amount in excess of their intrinsic or book value. It has a record of forty-five years of which the public can judge. Its record and its reputation belong to it just as yours belong to you. On them is based the value of its good will, which, as stated, a discriminating public places at fifty per cent. more than the original par value of its stock.

"Its stock is now largely owned by estates of deceased persons, trusts for widows and orphans and other beneficiaries under wills, etc. Many of these have invested in the stock at market price, paying $150 per share for the good will. Am I to be blamed as selfish if as their paid representative I argue against the enactment of legislation that would despoil them of their vested rights and property? Nor, let me here state, have they received any large or undue returns on their investment.

"For many years the bank has paid about six per cent. on the invested capital belonging to its shareholders and about four per cent. on the market value of its stock. The interests of the depositors have never been lost sight of nor have they been sacrificed to those of the shareholders. As deposits have grown the invested capital has been increased correspondingly.

"In using the First National Bank of Chicago for illustration I do so only because of my direct knowledge of its record and its figures. My arguments will apply with equal force to the strong and reputable banks—large and small—all over the country, and of such are the great majority. They all figure on their records, their reputations and their standing in public estimation as among their most valuable assets.

"Quite irrelevantly, it seems to me, you say, 'The time is a little inopportune for Mr. Forgan to speak so lightly of the interests of the depositors.' You do not quote the 'light' remarks to which you refer. I defy you to quote anything I have ever said that could be so construed or designated. What I contend for is a square deal all round, for the banks, for the depositors, for the shareholders and for the public It will be found that what is best for one will ultimately be best for all, their interests are so interwoven and so dependent upon each other.

"To remove the necessity of discrimination by the public as to where they as individuals will deposit their money would prove a severe blow to the entire fabric of credit and confidence which lies at the foundation of all business intercourse. Under a democracy such as ours banking must be free to all.

"By providing a government guarantee for deposits the rascal is invited to become a banker and to cover himself with a mantle of credit which otherwise it would be quite impossible for him to acquire and which is provided for him by and at the expense of all the good banks in the country. This would not be a square deal. It would put dishonesty and reckless banking at a premium and remove from the banker all ambition to excel in his profession and to acquire that good name which Solomon says 'is rather to be chosen than great riches.'

"You suggest the adoption of the words put into my mouth, 'make all banks safe,' as a party slogan or campaign cry. Were such a thing possible. it would be a highly desirable thing to accomplish and the slogan would be a good one. But it is wholly impractical, and to attempt it by passing a law that would establish an artificial credit for rascals, enabling them to offer all sorts of specious inducements to the public for deposits, and thus create illegitimate and impossible competition for sound and conservative bankers, would reduce the entire banking system of the country to a level very much below that on which it is now established.

"No honest man, with ordinary ability and any business ambition, would go into the business or remain in it if he could get out. The proposal is abhorrent to business sense as well as to justice and equity and is opposed to the principles and laws of political economy. I would suggest that you might find a better campaign slogan, for with the business men of the country, who understand such matters and who control the bulk of the bank deposits, such a slogan is likely to prove as fallacious and inefficacious as the 'free silver at the ratio of 16 to 1' slogan did in your last campaign."

A CENTRAL BANK.

IN an address before the Boston Boot and Shoe Club on February 19, Francis B. Sears, vice-president of the National Shawmut Bank of Boston, had the following to say in regard to a central bank:

"The scheme of a central bank has great possibilities, although it should be remembered that the problem in this country with its wide extent of territory is very different from the problem in England, France or Germany. Under proper conditions, however, and sound management such an institution probably would become a conservative and steadying force in the national finances. It is probably impossible, however, for the present to get legislation to establish such a bank. There is much hostility to the idea throughout the country. Banks in many places are unwilling to allow such a bank to have a monopoly of the Government's business, and are fearful that the branches of such an institution would be dangerous competitors with themselves. It would probably require years to reconcile public sentiment to the creation of such a bank."

NEW YORK STATE BANKERS' ASSOCIATION CONDEMNS ALDRICH BILL.

AT a meeting of the Council of Administration of the New York State Bankers' Association on February 17 the following was adopted:

That the bankers of the State of New York unequivocally disapprove of the provisions of the Aldrich bill; that they do not approve of a bond-secured emergency currency; that they demand an elastic currency based on bank assets, as provided in the measure of the Currency Commission of the American Bankers' Association.

This resolution has been concurred in by the chairmen of the individual groups of the association in every county of the state.

President Charles Elliott Warren in his address urged that the recommendations of the advisory committee of bankers appointed by Governor Hughes last fall and those of Superintendent of Banks, Clark Williams should receive the strongest indorsement.

"I believe that if the Aldrich Bill becomes a law," said President Warren, "the best interests of the banks and the citizens of the country will not be protected. Strictly speaking, we do not want a bond-secured emergency currency. A bond-secured currency amounts to a currency based on liabilities, for, to afford relief, banks which issue this currency must necessarily borrow bonds upon which the issue is based.

"To purchase the necessary bonds out of their resources banks would have their capacity towards relief of the business community lessened rather than increased by the process. In other words, it would cost, say $100 for each $75 of currency issued under the conditions of the bill.

"The currency that this association should demand is an emergency currency, one elastic, based on assets; and it is said by the best authorities that the best asset of a solvent bank is its commercial paper. An elastic currency is what is wanted; one regulated by the demands of business, to be issued when the manufacturers want to borrow money, and to be retired when the merchant pays for his goods.

"This applies equally to the moving of the crops, which, by the way, generally takes from $50,000,000 to $75,000,000 out of New York city, reducing its available credit at the very time when the legitimate demand for loans is increased."

ANDREW CARNEGIE FAVORS THE FOWLER BILL.

AMONG the letters received by Representative Fowler in support of his currency bill is the following from Andrew Carnegie:

"Dear Mr. Fowler — You have started on the right line and your proposed bill is the result. There is only one right path—we must base our currency upon gold. Your proposed redemption cities is just following our Canadian friends. Their system has worked well. There is no reason why our own should not. Sooner or later we must follow other civilized nations and place our banking system upon the same lines—the sooner the better.

"There is a great contrast between the House and Senate at the present juncture. The Aldrich Bill is a mere makeshift. It cannot be needed for many years to come. Panics have to grow. And when it is needed it compels the banks to use their much-needed funds to purchase bonds before they can get the increased circulation required.

"The bill before the House, on the contrary, will accomplish a result imperatively needed and place our banking system on a par with the banking systems of other nations."

THE FOWLER CURRENCY BILL.

ON February 28 the Committee on Banking and Currency favorably reported the Fowler Currency Bill to the House. Chairman Fowler made public a synopsis of the committee report submitted to the House. The synopsis contains among others the following paragraph:

"Your committee is of the opinion that there should be no further patchwork, no temporary device, no political expedient, but that there should now be a genuine and complete reform of our financial and currency practices. The business interests of the country and the danger to our national credit unite in demanding that we now adopt a scientific, sound and wise financial and currency system. The bill which your committee now has the honor to report to the House is comprehensive in character, scientific in principle, practical in application."

The synopsis claims for the bill that it will unify the banking interests of the United States; will secure a uniform and adequate reserve in gold coin, to prove all bank credits and thereby protect the interests of all depositors; will establish a scientific and simple monetary system; will give the country a true credit currency system by which current credits will always increase and decrease in strict accordance with the

demands of business; will give to laborers, farmers, producers, manufacturers and merchants and to all others having bank accounts, the right to have their credits in that form which will best serve their needs; will give to the masses of the people just as economical and cheap credits as the rich and powerful have; will establish a currency based upon the products of labor and redeemable in gold coin; will give to producers and merchants the opportunity to coin their commodities into the currency which the banks will be compelled to redeem in gold coin; will establish in the United States Treasury an approximate fund of $700,000,000 to guarantee the redemption of these notes in gold coin, and protect all depositors of national banks, thereby preventing panics and stopping the hoarding of money; will completely divorce the operations of the United States Treasury from the trade and commerce of the country, and thereby prevent their continuance as a disturbing factor in the business of the country.

OUR NATIONAL DOCTOR UNDISMAYED AND UNTERRIFIED.

On the last day of January President Roosevelt sent a message to Congress strongly defending his policies. The concluding paragraphs of the message follow:

"I do not for a moment believe that the actions of this Administration have brought on business distress; so far as this is due to local and not world-wide causes, and to the actions of any particular individuals, it is due to the speculative folly and flagrant dishonesty of a few men of great wealth, who seek to shield themselves from the effects of their own wrongdoing by ascribing its results to the actions of those who have sought to put a stop to the wrongdoing. But if it were true that to cut out rottenness from the body politic meant a momentary check to an unhealthy seeming prosperity, I should not for one moment hesitate to put the knife to the corruption. On behalf of all our people, on behalf no less of the honest man of means than of the honest man who earns each day's livelihood by that day's sweat of his brow, it is necessary to insist upon honesty in business and politics alike, in all walks of life, in big things and in little things; upon just and fair dealing as between man and man. Those who demand this are striving for the right in the spirit of Abraham Lincoln when he said:

"'Fondly do we hope, fervently do we pray, that this mighty scourge may speedily pass away. Yet, if God wills that it continue until all the wealth piled by the bondsmen's two hundred and fifty years of unrequited toil shall be sunk, and until every drop of blood drawn with the lash shall be paid by another drawn with the sword, as was said three thousand years ago, so still it must be said, "The judgments of the Lord are true and righteous altogether."

"'With malice toward none; with charity for all; with firmness in the right, as God gives us to see the right, let us strive on to finish the work we are in.'

"In the work we of this generation are in there is, thanks be to the Almighty, no danger of bloodshed and no use for the sword; but there is grave need of those stern qualities shown alike by the men of the North and the men of the South in the dark days when each valiantly battled for the light as it was given each to see the light. Their spirit should be our spirit, as we strive to bring nearer the day when greed and trickery and cunning shall be trampled under feet by those who fight for the righteousness that exalteth a nation."

AMERICAN BANKERS' ASSOCIATION OPPOSES ALDRICH BILL.

At a meeting of the Currency Commission of the American Bankers' Association, held in Chicago, January 18, the Commission reported as follows on the Aldrich Bill:

This bill proposes the issuing of additional bank notes based upon the security of other than United States

bonds; namely, obligations of State, city or county, and first mortgage railway bonds. It is believed that this scheme is impracticable, unwise and financially unsound.

I. It is a departure from a safe system of note issues, which has been enjoyed since the foundation of the national banking system; it is a step backwards to the conditions which gave rise to the issuing of "wild-cat" currency before the Civil War, which currency was based upon bonds of a similar description. It may be the entering wedge to the acceptance of undesirable bonds as security for note issues. There are recent examples in the laws of New York State legalizing such bonds for savings banks.

II. The bill would not aid the business public in obtaining loans from banks in time of stress. In its practical operation it would cripple the lending power of the banks. Inasmuch as it is not good banking policy to hold any considerable amounts of such securities in the assets of commercial banks, the banks wishing to take out new circulation would be obliged to purchase the new securities or to borrow them. The direct means of obtaining securities not generally held in the assets of the banks would be found only by taking from their cash reserves one hundred thousand dollars in lawful money, in order to issue notes of seventy-five thousand dollars. By this process the bank would decrease its lawful reserves, which form the basis of loans. If the bonds behind these notes were borrowed instead of purchased, it would have the effect of increasing the liabilities of the banks, which is wrong in principle and pernicious in practice. One hundred thousand dollars in lawful reserves would support loans of four hundred thousand dollars; while under the Aldrich Bill, one hundred thousand dollars taken from the reserves and invested in bonds, would only permit the lending of seventy-five thousand dollars. Thus, in its practical operation, it would seriously impair the ability of banks to meet the demands of the borrowing public.

III. This bill would tend to induce counties and municipalities to enlarge their obligations, because a fictitious bond market would be created. It would set a premium upon the increase of local indebtedness, which would be highly detrimental. It should be no part of Government legislation to aid in marketing securities.

IV. The necessity of ascertaining definite information as to population of cities, debt limits, valuation of taxable property, defaults, dividends on railway capital, and all other technical requirements, would entail such delays as to make the notes available only after the emergency had passed. A crisis is short, sharp and decisive; and the Aldrich Bill is a remedy offered to a man after recovery or death.

V. The provision of the Aldrich Bill to tax such additional notes six per cent. will make their cost prohibitive. Calculated on a basis of one hundred thousand dollars of bonds purchased at par, bearing four per cent. per annum, and estimating the lending rate of money to be six per cent., the net loss to banks taking out such circulation, would be two thousand dollars per annum, or at the rate of two per cent.

ILLUSTRATION:

COST OF TAKING OUT NOTES AGAINST PURCHASED BONDS.

$100,000 loanable at six per cent..	$6,000	
Tax at six per cent. on $75,000	4,500	
Total cost		$10,500
INCOME.		
Four per cent. interest on $100,000 of bonds...	$4,000	
Loan $75,000 at six per cent....	4,500	
Total income		8,500
Net loss		$2,000

This calculation does not include loss of interest on redemption fund nor the

cost of printing and redemption of notes. When the price of such bonds becomes inflated by reason of their use as a basis of circulation, as in the case of United States bonds, the cost of the notes would be proportionately increased. If the bonds were borrowed instead of purchased, the cost of notes issued would be the same.

ILLUSTRATION :

COST OF TAKING OUT NOTES AGAINST BORROWED BONDS.

Tax on $75,000 notes at six per cent.	$4,500	
Interest paid for use of $100,000 bonds at two per cent.	2,000	
Total cost		$6,500

INCOME.

Six per cent. interest on $75,000......	4,500
Net loss	$2,000

Calculation is exclusive of loss of interest on redemption fund, and the cost of printing and redemption of notes.

It is thus proven that should banks be forced to take out these notes, the minimum rate to the borrower would be the actual cost of eight per cent. independent of any charge for the use of the capital, the expenses of doing business, and the risk of lending. If fair allowance be made for all legitimate charges, the net cost to borrowers would be as high as the prohibitive ten per cent. tax now imposed by the Government on state bank issues.

VI. The high cost of taking out these notes must obviously be paid by the needy borrower; and in that event the bill must be regarded as a measure operating to tax the customer in a time when he especially requires assistance. Under normal conditions, a seasonal demand, arising in the autumn, causes higher rates of interest; while under the operation of the Aldrich Bill, the charge for currency needed in those periods, would be still further increased to the borrower. The enforced rise of interest rates would not only apply to loans affected by the use of such notes, but would at the same time increase the rates on the entire line of discounts carried by a bank, thus imposing a heavy and unnecessary burden upon the agricultural and business interests of the whole community. For these reasons, the Commission finds itself obliged to express its disapproval of the Aldrich Bill.

THE FOWLER BILL.

STRONG support to the Fowler Currency Bill is given in the report of the Committee on Bankruptcy and Commercial Law of the Merchants' Association of New York. The report, presented by Edward D. Page, chairman of the committee, is in part as follows:

"The note issues of a bank [under the Fowler Bill] will be readily and quickly interchangeable with its deposits, so that under all contingencies the depositor can either use his bank credit by check to the order of an individual, or receive for it bank notes payable to bearer. Notes and deposits are alike protected by the gold reserves; they are alike secured by the entire assets of the bank, and are alike guaranteed by a coinsurance fund, created by a contribution from all banks of five per cent. of their deposits and circulation, and maintained by an annual tax of two per cent. on the bank notes outstanding. The Government is to issue gold and silver certificates only, and the present United States legal tender notes are to be gradually converted into gold certificates. Distrust of these notes was an important factor in the panic of 1893, and if not withdrawn they may contribute to some future disaster.

"A credit currency founded upon adequate cash reserves will so respond to the demands of business that when no longer needed no high tax will be required to drive it out of circulation. The annual tax of two per cent. on bank note issues, provided for their

guarantee and for that of the deposits, will in our opinion be more than ample for the purpose, and were it not that the surplus from the fund so created is to be used for the redemption of the United States legal tender notes, we should favor a lower rate; for any tax on circulation is a tax on industry and is reflected in the average rate of interest.

"Government receipts which have been held in the United States Treasury to the great disadvantage of trade and industry are to be deposited in the national banks upon the same basis as the deposits of the individual citizen. The legal tender provisions of the bill and the provision that debts to and of the United States may be paid by check will allow Government payments to be cleared in the same manner that obtains in ordinary business transactions, thereby releasing for reserve purposes a large amount of cash, and materially simplifying all business operations between the Government and its citizens.

"The interconvertibility of deposits and bank notes, now first established by the Fowler Bill, forms the reasonable basis for the guarantee fund by which both note issues and deposits are to be safeguarded. A careful study of the principle of coinsurance of deposits, as thus established, has brought us to the conviction that the objections advanced against it are more superficial than real, and such weight as they may legitimately have is far outbalanced by the direct benefits to be derived from its workings. To the argument that it is unfair to compel banks which have been better managed, or have accumulated a larger capital and surplus, to aid in guaranteeing the deposits of their weaker competitors, it may be answered, while freely conceding this claim, that the bill leaves undisturbed every other advantage, such as personality, efficiency, facilities, location, etc., and above all, the great attraction of ability to pay upon demand at all times as contrasted with the inevitable annoyance and delay attendant upon the liquidation of a poorly managed institution with the aid of the guarantee fund."

OPPOSITION TO ALDRICH BILL.

AT a recent meeting of the Trades League of Philadelphia, the following resolutions, presented by the organization's committee on banking and currency, were adopted:

WHEREAS, The disastrous and far-reaching effect of the recent currency famine has aroused the public to the dangerous and inadequate features of our present bond-secured currency system, and created a demand for legislation which will ensure an adequate volume of properly safeguarded currency, at reasonable rates of interest, and which will expand and contract with the normal demands of commerce;

RESOLVED, That the Trades League of Philadelphia is unalterably opposed to the passage of the Aldrich currency bill, for the reason that it provides for additional bond-secured currency, based upon a deposit of state, municipal and railroad bonds, which the country banks do not generally possess, and imposing a rate of interest which few commercial banks can afford to pay, thereby creating fictitious values for certain bonds; favoring special financial interests and ignoring the agricultural, manufacturing and commercial needs of the country;

RESOLVED, That the Trades League heartily indorses the plan of "national bank guaranteed credit notes," secured by the assets of the banks and based upon the same reserve which is now required against deposits, as formulated in the Fowler Bill, believing that, under said plan, such notes would be perfectly good in the hands of any holder, and would, at the same time, avoid the danger of either undue expansion or contraction, and that such notes would respond automatically to the varying needs of the country. We further believe that the currency famine of last fall would have been altogether averted had the Fowler plan of national bank

guaranteed credit notes been in operation at that time;

RESOLVED, That the Trades League neither indorses nor condemns the plan of guaranteeing bank deposits contained in the Fowler Bill at this time.

FOR A HIGHER STANDARD OF BANKING.

ADDRESSING Group 3 of the Pennsylvania Bankers' Association recently, Robert B. Armstrong, president of the Philadelphia Casualty Company and formerly Assistant Secretary of the Treasury, said in part:

"The bankers of the State of Pennsylvania owe it to themselves and to their banker brothers in neighboring states to show the way to rid the banking profession of such men as have disgraced it in the past. There is no more reason why a banker should not preserve the ethics and high tradition of business honor that he should represent than that a lawyer should not stand for all that his profession means in the way of honor, chastity and virtue.

"I mean nothing less than that the bankers of the State of Pennsylvania must form a co-operative state-wide clearing-house association. To that association none but reputable, sound, conservative financiers should be admitted. The door of entrance should be jealously guarded, and the conduct of the members must be the subject of constant and effective surveillance. When any bank, or set of banks, within a clearing-house such as has been outlined here, comes upon strenuous times and difficulties, due to circumstances which are entirely compatible with the code of commercial honor, then they should receive help, and the business men of the State of Pennsylvania should know that the announcement that their bank is a member of the Pennsylvania Clearing-House is a guarantee that their deposits are absolutely safe and beyond the possibility of damage. Bankers who are not eligible for membership in the clearing-house should be eliminated absolutely from the banking business of the State of Pennsylvania. No quarter should be given to a man in the business who cannot measure up to standards as rigid as those which control and guide membership to the Bar Association of this commonwealth, or those of any other of the great states of the country."

GOOD FROM THE PANIC.

THAT the late panic was not without its compensations is evidenced by the attention it has attracted to the faults and weaknesses of our banking and financial system. Some of these defects are thus referred to in an article by Henry Lee Higginson on "Good Out of Evil," published in the February number of "Appleton's Magazine:"

"Our national-bank system is good, but it is becoming antiquated; it is based on government bonds which we ought to be paying off more and more. As we grow larger and need more banking facilities, the supply of the government bonds falls off, thus curtailing the existing basis for the issue of bank currency. Our Government should have nothing to do with the immediate proceedings of the banks, except to inspect and criticise the actions of these banks. In short, the Secretary of the Treasury should not be able to 'come in or go out' of the money market. The system should be automatic and take care of itself. The Government should not hoard money or throw it out at the will of anybody or everybody, but all the surplus of the Government should be kept in the banks subject to the use of the whole population of the United States, and the Government should receive a return for its deposits, just as any manufacturing corporation or private individual receives it. This money should not be protected any more than the money of any private individual. In short, the Government should get out of business and stay out."

CANADA'S BANKING SYSTEM.

Its Adaptation to Business Requirements.—By Mrs. E. B. B. Reesor.

A CONGRESSMAN—a man nearly eighty years old—sat in his editorial chair in a capital city of the United States trying to unravel the tangle of money matters so that he could give the wage-earning people some hope through his paper; but every thread he mentally tried to disentangle broke, or was so mixed up with others that he came to a full stop. There was no key, no centre--nothing that suggested a solution for the undoing of it.

"I have heard of the Canadian banking system," he said,—"do you have these money stringencies in Canada?"

"No," I answered, "banks can always honor checks there."

And, fearful that I might have said what was not strictly true (so hurtful were the impressions of the inability of city national banks to pay cash there) I took the night express to Buffalo and came home to Canada to find out.

Safety of Canadian Bank Notes.

There was not the shortage of money in Canada that there was in the United States. I was told emphatically by men who understood both the law and the methods of Canadian banking as clearly as they knew that two and two make four, that such conditions could not possibly exist, and, not only is the circulation of money always healthy, but also that no depositor in a Canadian chartered bank can ever lose one cent of his deposit, even though the particular bank in which his money is placed should fail. Every bank in the Dominion of Canada stands sentinel and protector for every other bank, and no Canadian bank note can be dishonored.

The majority of intelligent thinking Canadians have never taken the trouble to understand the perfect working of their own banking system.

The question of circulation is the one of present interest, and it is to this question that I have given my thoughts ever since the United States Congressman asked, "Do you have these money stringencies in Canada?"

Banks collectively are responsible for the circulation of every other bank.

Every bank is allowed by law to open branches. Some of the oldest banks have nearly 100 branches stretching like a chain across the Dominion from the Atlantic to the Pacific—and away to the Alaska northlands.

These branch banks gather the money lying idle in the prosperous, well-settled parts of Canada and carry it to wherever it may be most needed, thus allowing the newly-settled parts, where development is going on, the use of capital at the same rate of interest at which it could be had at the point of deposit.

Canadian banks, like those in the United States, are allowed by law to issue notes to the extent of their paid-up capital (with a single exception), but very few of them, if any, have ever done so. The Bank of Montreal has a paid-up capital of $14,000,000; the Canadian Bank of Commerce $10,000,-000, with rest funds. The whole of these amounts has never been paid out in note circulation. Banks more recently organized have, of course, smaller paid-up capitals but every bank, no matter what its age, its capital, its reserve, has exactly the same privileges and limitations, and note circulation with each one is identical (with the exception above mentioned). Take, for example, the bank with which I am connected; it is one of the younger Canadian banks, and wishes to get its notes circulated.

A customer approaches the general manager of the bank in Toronto and asks for sufficient money to harvest his thousand acres of wheat in Manitoba or pay for the cutting of his timber limit in British Columbia. The Crown Bank has not, as yet, branches in the

North-West Provinces, but the Bank of Montreal and the Northern Bank, which have branches all through that country, act as the Crown Bank's agents and look after its interests.*

The customer is given the necessary money in Crown Bank of Canada notes, and these notes are paid out in wages, thus putting them in circulation all through the western part of the Dominion.

How Notes Are Redeemed.

But each bank is anxious to have its own notes in circulation, so every day the notes of the Crown Bank, as they are paid over the counters of other banks, are parcelled up and sent to the bank's agents, and these agents, collecting them all together, make bigger bundles of them and send them to the clearing-house where the Crown Bank redeems them and places them in the vaults at the head office in Toronto—until they are again called for.

Nearly forty banks in Canada (with branches reaching away into the hundreds) are doing this same thing every day. Each bank desires the circulation of its own notes and keeps pushing them on and on, and sending back the notes of other banks; there can be no stagnation, for the money is kept everlastingly moving.

Then, should there come a day when much money is needed at the head offices and the bulk of notes is on hand at branches for payments of wages in big industries, new notes can be issued within twenty-four hours; and, besides, there is always the gold that has not been touched, for the notes are merely promises to pay, and not the actual coin, although they will always pass for the full amount of their face value.

The branch system of Canadian banks, and the circulation of bank notes, with their actual, daily redemption, keeps the money moving in a normal, healthy way, and will always prevent a serious condition of tied-up financial affairs which comes about so often in the fall of the year in the United States of America.

*Since writing this article the Crown Bank and the Northern Bank have joined forces—making The Northern Crown Bank with an authorized capital of $6,000,000—and having seventy-five branches throughout the Dominion.

SEEING OUR OWN COUNTRY.

UNDER the title of "A Foreign Tour at Home," Henry Holt makes a strong plea in the March number of "Putnam's and the Reader" for Americans to get better acquainted with their own country. He says:

> Most Americans who go to Europe a second time, and even a tenth time, do it before going west of the Mississippi. Regarding both illumination and pleasure, the delay is a great mistake. The argument for "knowing one's own country" we hear constantly repeated; but, like most other arguments, its force cannot be appreciated without experience. Still less can the variety and beauty that this "own country" of ours has to offer. Moreover, both practical knowledge and pleasant memories accumulate compound interest, and the investment in them has a security that is absolute while the lamp holds out to burn. What one gets in middle life would be twice as great had it been got twenty years earlier.

UNCLE SAM A BILLIONAIRE.

THE strength of the United States Treasury at the present time was commented upon in the House of Representatives on February 26 by Mr. Boutell of Illinois.

He said he had just been informed by Treasurer Treat that for the first time the gold coin and bullion in the United States had reached and passed the sum of $1,000,000,000, "an event so extraordinary," he said, "that it will be chronicled and commented upon with surprise and amazement in every financial centre in the world; an event which all citizens of our Republic, without regard to party affiliation, may well contemplate with satisfaction and pride."

The announcement, the Washington dispatch states, was greeted with applause.

Whether this is an event for unmitigated satisfaction has been considered in another part of this issue of the Magazine.

THE THREE PENDING FINANCIAL MEASURES.

A Graphic Analysis of the Three Financial Measures Now Before Congress, Prepared by Fisk & Robinson, New York City.

	The Fowler Bill.	American Bankers' Association Bill.	The Aldrich Bill.
Eligible Banks of Issue.	All national banks. (Sec. 11.)	Any national bank one year old whose surplus equals 20% of its capital. (Sec. 1.)	National banks having government-bond-secured circulation of not less than 50% of their capital and surplus of not less than 20%. (Sec. 1.)
Note Issues.	Present bond-secured notes to be retired and "national bank guaranteed credit notes" equal to bank's paid-up capital issued in lieu thereof, the same to bear a tax of 2% per annum. (Secs. 11 & 16.) The notes to be receivable at par for all purposes, except interest on public debt and for redemption of national currency. (Sec. 20.) Retirement of bond-secured notes compulsory after January 1, 1909. (Sec. 25.)	First issue of "national bank guaranteed credit notes" limited to 40 per cent. of outstanding bank notes, but not to exceed 25 per cent. of bank's capital and to pay semi-annual tax of 1¼ per cent. Second issue equal to 12½ per cent. of capital may be made, but to pay semi-annual tax of 2½ per cent. Total issues of credit and bank notes not to exceed paid-up capital. (Secs. 1-4.) The notes to be receivable at par for all purposes, except import duties, interest on the public debt, and redemption of national currency. (Sec. 9.)	Limited to $500,000,000. No bank's total note issue to exceed unimpaired capital and surplus. The issue to be 75 per cent. of market value of railroad bonds and 90 per cent. of market value of other bonds offered as collateral—the notes to be subject to all statutes affecting present bond-secured circulation. (Sec. 1.) Circulation based on 2 per cent. of U. S. bonds to pay tax of ¼ of 1 per cent. half yearly and circulation based on U. S. bonds bearing higher rate than 2 per cent. to pay ½ per cent. half yearly. Circulation based on other bonds to pay a monthly tax of ½ per cent. (Sec. 4.)
Security for Notes.	Each bank to maintain with the U. S. Treasurer a deposit of gold, or its equivalent, equal to to 5% of the notes it proposes to issue, and also a like deposit equal to 5% of the bank's average deposits during preceding calendar 6 months (to insure depositors). (Secs. 11 & 14.) Notes in excess of bank's paid-up capital may be issued if Board of Managers of bank's redemption agency approves. (Sec. 12.)	Holders of credit notes to have prior lien on assets of issuing bank and on statutory liability of its shareholders. (Sec. 10.)	Interest-bearing obligations of any State; bonds of any city, county, municipality or district 10 years old, whose net funded indebtedness does not exceed 10 per cent. of valuation of its taxable property and which has not defaulted for 10 years on principal or interest of any funded debt, and first mortgage bonds of railroad companies (not street railways) which have paid 4 per cent. dividends for 5 prior years. (Sec. 2.)
Guaranty Fund.	The two 5% deposits, the 2% tax on circulation and a 2% tax on government deposits to constitute a fund to guarantee payment of all bank notes and all deposits without discrimination or preference and for all expenses of the redemption agencies. (Secs. 15 & 17.) The Comptroller and Deputy Comptrollers to have direction of the guaranty fund. (Sec. 34.)	Taxes on credit notes to form guaranty fund to redeem notes of failed banks and to pay the cost of printing and current redemption. (Sec. 6.) An amount equal to 5 per cent. of credit notes taken out to be deposited in lawful money with U. S. Treasurer and added to guaranty fund. This amount to be refunded as soon as taxes on circulation maintain guaranty fund above 5 per cent. (Sec. 7.)	No special guaranty fund. The 6 per cent. annual tax on other than government - bond - secured circulation is to be credited to the reserve fund held for the redemption of United States and other notes. (Sec. 4.)

	The Fowler Bill.	American Bankers' Association Bill.	The Aldrich Bill.
Reserves.	In reserve or central reserve cities, the banks to hold lawful money equal to 25% of credit notes in circulation—banks in the former being permitted to keep 7½% of their reserves in the latter. Banks in other cities 15% reserves, 4% of which may be kept in reserve or central reserve cities. (Sec. 21.) The two 5% deposits (Secs. 11 & 14) may be counted as reserves and 1% interest received thereon. (Sec. 22.) 10% penalty for including any bank or credit notes in reserves. (Sec. 26.)	In reserve and central reserve cities the banks to hold lawful money equal to 25 per cent. of credit notes in circulation—the banks in reserve cities being permitted to keep one-half of their reserves in national banks in other reserve and central reserve cities. Banks in other cities to maintain 15 per cent. reserves, three-fifths of which may be kept in central reserve or reserve cities. (Sec. 5.)	Circulation being bond-secured, no provision is made for reserves. Reserves against deposits of banks in reserve or central reserve cities (25 per cent.) and other cities (15 per cent.) remain unchanged. In determining reserves government deposits are excluded. (Sec. 8.)
Redemption Agencies.	To be designated by Comptroller of Currency. Details of organization of such agencies provided for. Bank note redemption districts created, governed by board of 7 members, the chairman of which becomes Deputy Comptroller of Currency, exercising the duties of Comptroller, including bank examinations, but reporting to the Comptroller of Currency. (Secs. 1-10, 31, 33.)	To be designated by the Comptroller of Currency, who shall fix rules and regulations governing redemption of credit notes. (Sec. 8.)	None provided. Emergency notes redeemable in lawful money when presented at U. S. Treasury. (Sec. 7.) Government-bond-secured circulation may be withdrawn by depositing lawful money; other bond-secured circulation may be withdrawn by depositing lawful money or national bank-notes. (Sce. 5.)
Liquidations and Failures of Banks.	Liquidating banks receive advances made to guaranty fund less deductions for failures. One-tenth of the loss from a bank's failure to be borne by its redemption district, and nine-tenths by the guaranty fund. (Secs. 23 & 24.)	The U. S. Treasurer to pay notes of failed banks from the guaranty fund, recovering that amount from bank's assets and recouping guaranty fund. (Sec. 11.) Banks may retire credit notes or liquidate by paying into the guaranty fund lawful money equal to credit notes outstanding, and banks, whose notes outstanding exceed 62½ per cent. of paid-up capital may redeem such excess by depositing lawful money, regardless of act of March 4, 1907, and take out credit notes. (Secs. 12-13.)	Existing statutes relating to liquidating and failed national banks remain unchanged.

In addition to the foregoing the Fowler Bill provides for—

Government Deposits. When the banks' two 5 per cent. deposits reach $25,000,000, all bonds securing government deposits to be returned to owners and thereafter banks to pay 2 per cent. per annum on such deposits (Sec. 15). The deposit from day to day by the government of all its receipts made compulsory—no bank receiving an amount greater than 50 per cent. of its capital (Sec. 35).

Payments by Check. After guaranty fund reaches $25,000,000, all debts to the government may be paid by certified check of any national bank and all government obligations shall be paid by check on national banks (Sec. 36).

Extension of Banks' Powers National banks may assume functions of trust companies and savings banks, such accounts being kept separately and questions of reserves, investments, etc., regulated by Board of Managers of the redemption district. Interest on commercial accounts limited to 2 per cent on monthly balances. Time certificates not to be for less than 3 months. Conversion of time certificates or savings bank accounts into commercial accounts prohibited (Secs. 27-30).

Investment in Government 2% Bonds For the time being 80 per cent of the guaranty fund is to be invested in 2 per cent. government bonds, first preference given to such bonds now deposited for circulation, and second preference to such bonds held as security for government deposits. (Sec. 18). Remaining 20 per cent. of fund to be kept on deposit with various redemption agencies or national banks redemption cities for redemption purposes (Sec. 19). If guaranty fund on January 1, 1909, is inadequate to purchase all 2 per cent. government bonds held by banks government is to use its bank deposits up to $200,000,000 for that purpose (Sec. 37).

Conversion of U. S. Notes All funds in excess of $25,000,000 not required for purposes of this Act, shall be paid in gold on each succeeding January first into the reserve fund of the U. S. Treasury until amount reaches $346,000,000, whereupon all U. S. notes shall be converted into gold certificates and thereafter no bank shall hold U. S. notes in its reserves (Sec. 38).

SOME FORCEFUL IDEAS ON BANKING.

ACCORDING to the Washington correspondent of "The New York Times," Postmaster-General Meyer is in receipt of a uninque indorsement of his scheme for the establishment of postal savings banks. Dr. J. A. Wailes of Mystic, Iowa, thinks the Postmaster-General's idea an excellent one, and in language showing his upbringing in Kansas near the soil, has written a letter giving his unhappy experiences with early Western banking. The letter follows:

"I have been a strong advocate of a postal bank for many years. Thirty-five years ago, when I was a boy, I worked on the Atchison, Topeka & Santa Fe Railroad in Kansas, and deposited the first money I ever had in the First National Bank of Lawrence, Kan. The bank busted and I lost—more than fifty other boys who worked with me done the same. What the effect was on the others I can't say, but it put a damper on me and caused me to squander and waste my wages for ten years.

"When Gov. Hoch lived in Florence, Kan., and edited a little paper there, the grasshoppers ate my crop, my brother in Iowa sent me $50. I put $25 in the Florence Bank. Old Pete Aller run away with all the money. Three years after he was caught in Connecticut and brought to Kansas, and was sent up for twenty years.

"About eighteen months ago my brother, a carpenter at Plano, Iowa, hid $60 in the old round oak stove. His wife filled it full of waste paper and burned it up. A smart Alec (a neighbor) said it served him right. Hains (the same smart Alec) put $1,100 in the nearest bank, the Farmers and Drovers' Bank of Seymour, and lost in less than a year.

"When me and my wife started in life we run a boarding house in a labor camp. I tried to get the boys to save their money and get ahead by depositing it in a bank. The answer was always the same 'No damn banker can blow himself on my money.' You see they lack confidence, and their lack of confidence is well founded, and in view of my own experience and observation I had to go way back and set down.

"Well, I have just heard of a good old friend who has dropped his little wad of $800 in the Charlton, Iowa, Bank that went busted a few weeks ago. My sister in Kansas has money in a bank that invested in warehouse and cold storage stock in Kansas City. They are looking for the money, the promoters, the 100,000 cases of eggs, and other things galore that was said to be stored there, all of which are very conspicuous by their absence.

"I have my money kanned up. Can you blame me for it? Does the bank-

ers and others who scold us think we are all a pack of fools? Give us postal banks that is absolutely safe and every dollar will come to the surface, as it should—when a safe place is provided and there will be no more hoarding. Even if you restrict deposits to $5 it will save more men, women, and children, and make them independent, self-respecting law-abiding citizens.

"I am a Democrat, but I have become so interested in Roosevelt that I went to Keokuk to see and hear him speak. If he strikes out from the shoulder for a postal bank in his message I will vote for him if I have a chance.

"Whoop it up, my good, dear friend—you are engaged in the most humanitarian work of any man on earth today, as well as the most economic business move. We don't kneed more money—too much now—you see with cheap silver coined in dollars at private mints that no one on earth can tell from the ones made by Uncle Sam, the country has become inflated, and that is hurting us worse than the panic.

"Horses are selling here at $150 to $200. Not worth over $75 to $100. Overcoats and gowns in our shop windows $20 to $30, not worth over $5 to $10. Land in Iowa at $100 to $125, dear at $40. In Kansas $75 to $100, dear at $25. Our people are crazy.

"When Bill went to college Pap gave him money enough to take him through. He blowed it. Pap pumped in more. Bill blowed it again, and Pap kep right on pumping in till he was tired. Then he went down to see what was all the trouble. He kicked Bill through the glass front of a saloon and wiped up the sidewalk with him.

"If Uncle Sam, instead of pumping in more money every time the Wall Street Wind Bag bursts, will do as Pap did and give us a P. O. bank with equal distribution and less catchpenny advertising, fake lies through the United States mails, fewer slot machines, we will be all O. K."

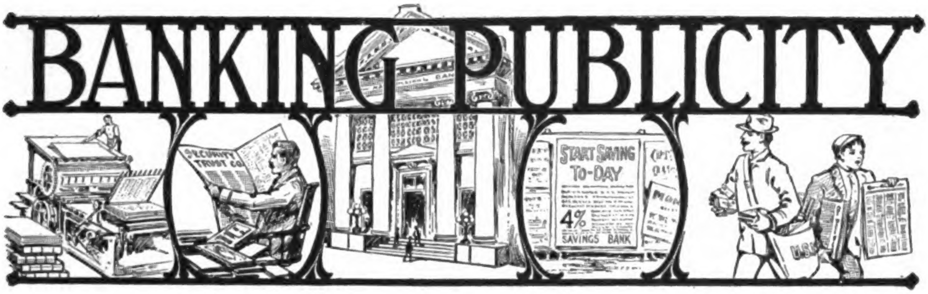
AN INTERESTING BANK NOTE.

THROUGH the courtesy of Colonel Fred. E. Farnsworth, secretary of the American Bankers' Association, The Bankers Magazine presents herewith an interesting specimen of an old state bank note.

The signature of the Cashier—Joseph Smith, Jr., the famous Mormon prophet—gives the note an added interest.

HOLDING DIRECTORS LIABLE.

RECEIVER STRAWN of the closed Farmers and Drovers' National Bank of Waynesburg, Pa., has notified the directors that they will have to contribute $1,500,000 as a result of the failure and the shortage, which amounts to $1,800,000. The receiver's notice says that should the directors fail to comply, proceedings will be taken against them.



THIS department is for the benefit of those interested in promoting the business of banks, trust companies and investment houses by judicious advertising. Correspondence is desired. The purpose is to make this department a clearing house for the best ideas in financial publicity. Send inquiries, suggestions, information concerning results of various methods and campaigns, and samples of advertising matter for comment and criticism, to T. D. MacGregor, Manager, Publicity Department, Bankers Publishing Co., 90 William Street, New York.

BOOKLETS AND HOUSE ORGANS.

Some Pointers on the Preparation of an Important Branch of Advertising Copy.

MANY a well written booklet advertising a bank, trust company, real estate proposition or other financial or investment project is born to blush unseen in the wastebasket because its typographical form and general make-up are not good enough to save it from that fate.

To get read is the first duty of your advertising matter. If it fails there, it were just as well not written at all.

The first thing, therefore, is to plan your booklet so that it will be attractive in appearance. Naturally, the title and the cover should get the earliest attention.

Make them interest-exciting. The title does not need to tell exactly what the booklet is about. A little mystery is not out of place if it excites curiosity and induces people to read the message within the covers of your book.

Choosing A Title.

But a plain statement of the subject of the booklet is better than the old practice of printing on the cover nothing but the name of the institution in whose behalf the booklet is written.

Following are good examples of booklet titles:

A Bank for All People.
The Story of Banking By Mail.
A Safe Place.
Happy Children.
Bank Accounts.
Why National Banks Are Best.
Banking Hints to Customers.
The Life Story of a Bank.
Funds for Travelers.
The Peoples' Interest.
One Million Dollars.
Bond or Mortgage, Which?
Choosing a Bank.
Men of Ripe Experience.
Just Think it Over.
The Service Rendered by a Trust Company.
How Savings Grow.
How to Keep a Trust Company Account.
Management and Distribution of Estates.
The Story of a Successful Bank.

If you use a design on the cover, make it as unusual, striking and interesting as your title. As a rule it is a good idea to have the design suggestive of the subject or the contents of the book.

As to the "copy" of the booklet the same ideas already advanced in this department in connection with the preparation of advertisements apply here with equal force.

Holding Attention.

Just as it is necessary to make the title and cover of the book interesting to *get* the attention of your reader, so it is necessary to make your copy bright and interesting in order to *hold* his attention.

Short paragraphs and good typography help, but you must go deeper than that. It is doubtful if even the best typography would make Gibbon's "Decline and Fall of the Roman Empire" or the Congressional Record interesting for continuous reading.

If you don't hold your reader's interest you lose him as a customer.

Nor is it enough to attract attention and hold interest. You must go a step further—convince your reader and get him to act

promptly and favorably on your proposition.

A Personal Message.

In order to do this, try to make your message as personal as though the reader were a relative or personal friend who had dropped into your office for a chat and to get some of your advice on a business problem or on a matter of personal importance.

As long as you keep before you the mental image of the typical customer to whom you are appealing and talk to him as naturally and enthusiastically as you would were he before you in person and you were thoroughly interested in him personally, you will have no difficulty in holding his interest, and if your proposition is all right and your prospect is ripe for it you will get him.

It is important to get your prospective customer to take some definite step, to commit himself, and to do it at once. It is human nature to put things off. It is easy to procrastinate.

The time to strike is while the iron is hot.

If interest is allowed to die out it will be a very hard matter to get your prospect to do as you desire and suggest. So there is a psychological and a practical value in the use of an order coupon, a deposit blank, etc., in a booklet, and if you print above it the suggestion: "Fill out and mail this coupon today," or words to that effect, so much the better.

Right here comes up another point which is worthy of consideration in booklet writing as well as in the preparation of other advertising copy—the use of the imperative.

Use The Imperative.

Employed with good taste, the Imperative Mood, Second Person, is a very effective weapon in the hands of the advertisement writer.

Everybody is more or less mentally lazy. We like to have others think for us sometimes and tell us what to do. Nine times out of ten the average person will act more surely in the direction you desire if you tell him in so many words to "Do it now!" than he will if you leave it to suggestion and inference on his own part.

When you have a booklet prepared on your proposition it is a splendid idea to mention the fact in your advertisements and ask the reader to send for the booklet. This enables you to "key" the medium used, judging the relative value of the different publications by the number of inquiries produced by each. Moreover, the names you secure in this way are valuable to "follow up." Such names are better than any random list because the persons who write in answer to advertisements, eliminating a few curiosity seekers, have shown a definite interest in your particular proposition.

The House Organ.

Consideration of booklet writing naturally leads to the subject of house organs, which are practically booklets in more pretentious form with the additional feature of periodicity and the added interest and permanency of anything in the guise of a periodical.

The writer's ideas on this subject are best expressed in an article which he wrote for the "Profitable Advertising" magazine of Boston, Mass. The article is as follows:

Is your house organ a business getter? It can be made a powerful one, but for satisfactory results the best kind of ability must go into it.

A carelessly edited, inane publication is worse than nothing. The successful house organ must be as interesting, as well written, as a general magazine. But more than that, it must have the strongest kind of pulling power.

This can be done because it is being done.

The best point in favor of the house organ is the great opportunity it gives for the full and direct personal appeal, than which there is no more valuable form of advertising copy. That is what gets results.

The highest attainment of a writer of advertising is to be able to make a logical, compelling, effective, argument for cash-with-order replies. Success in that is at once the hardest to win and the most worth winning. There is no better field for the use of this kind of talent than the house organ.

Comparatively few advertisers can afford what many look upon as the luxury of multipage advertisements in the big magazines, while for a good many propositions a one-page advertisement presents far too little space to tell the story adequately and effectively. Experience proves that no matter how good your proposition and the medium used are, you have no assurance of full, satisfactory, paying results, unless there be the most skilful and powerful personal appeal in the copy. The limits of magazine and newspaper advertising space, as a rule, do not give scope enough for that.

That is where the house organ comes in. It will solve the problem for you if you have the ability at your command to make it what it should be.

The Human Element.

The house organ must have a strong human element in it. That is to say, it

is not enough to present to your readers—prospective customers—a truthful and logical argument, important as that is. You must do more than that, because most people, the common every-day men and women, whose needs you want to supply, are not actuated so much by truth and logic as by their feelings and their self-interest.

So to your cold facts and judicious statements you must add a warm personal touch if you would bring the greatest possible number of your readers to a prompt and favorable decision on your proposition. To be most effective, house organ copy should be as intensely individual as though it were a personal, handwritten letter to the possible buyer.

After all, it is merely a matter of concentration. Instead of trying to hit all mankind with the birdshot of glittering generalities, put in a cartridge and point your rifle of argument at one particular man. Single him out and bring your talk home to him so strongly, so inevitably, that there is no escape from it, so that it will not only appeal to his reason and convince him, but strike the very mainspring of his actions and compel him to do as you suggest.

The more you know about the value of your own proposition, the greater your knowledge of human nature, and the more thoroughly enthusiastic you become, the easier it will be for you to write this kind of copy and get results.

Just remember this: In salesmanship on paper you cannot look your prospective buyer in the eye. The chances to communicate your own enthusiasm to him by methods you would use were you face to face with him are lacking. There can be no expressive gesture, no responsive lighting up of the countenance, no actual demonstration of the goods. In the printed page you must supply this lack by other means. Enthusiasm and personality must take another form than in the case of a living salesman in the office or behind the counter.

The house organ has advantages of its own that do much to offset the absence of personal contact between buyer and seller. Your printed argument can be prepared at leisure, and no strong point need be overlooked. If you have the ability to attract and hold your reader's attention you need not be interrupted until you have laid before him your whole story, and pointed out most clearly just what it means to him and why he should act as you ask him to act, and at once.

Specially Interested Readers.

Then, it can safely be assumed that a large part of your readers are already interested and favorably disposed toward you. This is particularly true if your mailing list has been made up of the names of inquirers received in response to your advertised offer to send your publication free, or if they are to quite an extent already customers of yours.

If you don't make the very most of this fruitful soil, it is your own fault.

It is not my purpose to make suggestions as to the typographical form of a good house organ, except to say that I believe that it should be of a high order, and in harmony with the good literary style which ought to be maintained in the magazine or paper. It pays to use good paper and good illustrations, because even the best copy loses force if not presented in pleasing form. The handsomer looking your publication is the more likely it is to attract attention, stay out of the waste-paper basket, and be preserved to work for you.

But these things come as a matter of course if you have the right sort of brains back of your house organ. So I emphasize the importance of the man behind. Let him be brimful of ideas, originality and enthusiasm. He should know how to give everything he writes a tactful turn businessward, and he must hit hard and hit all the time.

It is a great opportunity that is afforded by the house organ with a large and specialized circulation. It would be a shame not to take advantage of it to the fullest extent, by attractive typography and make-up, in the first place, in order that it may attract attention; then by interesting matter; and lastly, and most important, by strong, convincing, personal talk, to bring the question home to the reader and force him to act.

Your house organ needs all the common sense, logic, psychology, personality, and enthusiasm you can crowd into it. If you have not enough of those things yourself, get somebody to supply what you lack, and then give him lots of leeway.

That is how your house organ can be a great big success.

ARE YOU going abroad? We have for several years attended to the wants of parties making summer tours to England and the continent. For these vacation outings nothing is safer or better adapted for use in out of the way places and for unexpected requirements than the traveller's cheques.

Full information regarding them furnished on request.

Haverhill National Bank,
117 Merrimack Street.

Effective.

THE BANK HISTORICAL.

How Banks are Making Age an Asset.

THE argument of age is one of the very strongest that any bank can use to prove that it is worthy of the confidence of prospective customers.

If an institution has lived and prospered for twenty-five, fifty or a hundred years, it is reasonable to believe that it is stable and will continue to live and prosper indefinitely.

Any financial institution, therefore, is fortunate when it is in a position to call attention to its long and successful service in the community. Many banks are doing so by getting out attractive and interesting booklets, combining in their contents historical matter and information about facilities and service.

An Historical Bank Tablet.

"State Street" is the title of a booklet of this sort issued by the State Street Trust Company of Boston, Mass. This "Brief Account of a Boston Way" is ably written and quaintly illustrated, the originals of many of the cuts used being part of the decorative scheme on the walls of the company's building. The booklet is printed on antique book paper, with heading, initials and rules in red.

A Complete History.

An idea of the scope of the book can be obtained from the following subheads:

The Beginning of a Way.
Early Colonial Landmarks.
The First Church of Boston.
The Bible, the Rod, and a Prisoner.
An Old Map, Some Streets and the First Merchants.
From Wood to Brick and Stone.
Long Wharf and Its Stirring Episodes.
Gleanings From an Old Directory.
Something About State Street's Old Taverns.
Admiral Vernon and the Seaman's "Grog."
Roast Ox and the French Revolution.
Building the Town House.
Burning of the Old Town House.
A Chamber of Events—A Pirate's Trial.
Old Town House Becomes the State House.
The Boston Massacre.
Mob Attacks Soldiers.
Captain Preston Takes Command.
Citizens Are Killed.
Soldiers are Tried and Convicted.
More Episodes of the Old State House.
Dark Ages of Commercialism.

Only one page is given up to the State Street Trust Company. This is the only weak point about the book. The work was long enough to carry more strictly advertising matter in it.

The Chatham National Bank of New York some time ago got out a booklet calling attention to the fact that it has been doing business at Broadway and John Street since the middle of the last century.

New York Fifty Years Ago.

The booklet gives an outline of the history of Chatham Street and some of its land-

marks. The illustrations consist of pictures of New York fifty years ago and of events that happened about that time. There are also good views of the interior of the bank.

The Fulton Trust Company of New York has issued a life of Robert Fulton, which is very interesting indeed. It contains no advertising aside from the name of the company.

"The Story of a Successful National Bank and How it Grew" is the title of an attractive booklet issued some time ago by the North Adams National Bank of North Adams, Mass. This is an especially good piece of advertising literature because it devotes a due amount of space to an account of the facilities the institution has to offer the public. In addition it gives an historical sketch of the bank and its founders.

The Guardian Savings & Trust Company of Cleveland, Ohio, gets out a very handsome booklet in antique style. Its scope and purpose are indicated by the title: "Yesterday and To-day, Being a Story by Word and Picture of the Growth of the City of Cleveland and of One of the Leading Institutions Thereof."

"Ye Oldest Bank."

"Ye Story of ye Oldest Bank in America" is the self explanatory title of an interesting little book printed for the Bank of North America in Philadelphia. It contains some really valuable historical data about our early struggles to get a good currency and tells how Robert Morris, the financier of the Revolution, founded "The Bank of North America," which was "chartered by the Continental Congress in 1781."

One of the New York banks took advantage of the historical element by telling about "The Old Wall Street" in an attractive booklet worked out along lines similar to those described in connection with other booklets.

A Century of Service.

In "The Life Story of a Bank" the Bridgeport National Bank of Bridgeport, Conn., summarizes the first hundred years of its history, gives portraits of its presidents and views of its various homes. We quote the opening paragraph: "One hundred years of active usefulness constitutes a career to be viewed with pride and satisfaction. The length of the lifework of the individual who attains great age is shortened by the periods of infancy and youth and by the ills and infirmity of advanced age, but an institution may spring into being full grown and matured, and with increasing years constantly broaden in usefulness to the community which it serves, by reason of its added experience and resources, and the character of those who are drawn into connection with it."

The National Bank of Commerce in St. Louis and the Commonwealth Trust Company of Pittsburgh have both issued books showing how their institutions have grown with the growth of their respective cities.

The Brooklyn Bank in a covered leaflet entitled "Interesting Bits of History" gives some of the important facts in the history of that important part of New York city. It is well illustrated and makes an apt connection between the history of the city and that of the bank.

La Salle's Prophecy.

The National Bank of Commerce of Detroit prints with its statement folder of December 31, 1907, a sketch of the "Griffon," the first vessel of commerce which arrived at the site of Detroit in 1679, and also a picture of Detroit's imposing skyline of 1908. With a recent statement the National Bank of the Republic of Chicago prints the prophecy of La Salle, who in 1671 on the site of the future Chicago predicted: "This will be the gate of the empire, this the seat of commerce."

"A Pioneer Bank" is the name of a booklet issued by the Peoples Savings Bank & Trust Co., of Moline, Ill. It contains interesting historical data and illustrations. Among the latter are reproductions of the bank's first business card and of the original notice of the Comptroller of the Currency giving the bank authority to do business.

"The Bank Historical" is the title of an unusually handsome book issued by the Bank of Pittsburgh, National Association. The illustrations are superb, both the halftones and the color work being the finest that can be produced. The pages are 12x10 inches, the book opening on the narrow side. As indicating the style of the reading matter the following paragraph will suffice:

"Pittsburgh and the Bank of Pittsburgh have grown up together. The bustling, hurrying municipality that is now the industrial center of the world was merely a country village of less than 5,000 inhabitants when the Bank of Pittsburgh was organized and all through the years that have passed since then the city and the bank have grown together steadily and substantially."

"Through Fifty Years, the Story of a Bank's Progress" is the name of a book issued by the officers and directors of The New York County National Bank in commemoration of that institution's semi-centennial anniversary. This book confines itself strictly to the history of the institution, not branching out into any general historical allusions.

An Interesting Picture.

A booklet of the First National Bank of Boston, Mass., outlines the history of the

institution and reproduces an interesting picture of the "Manufactory House" in Long Acre (Tremont) Street which for a long time was occupied by the Massachusetts Bank, one of the direct antecedents of the First National.

The Lincoln National Bank of the City of New York follows the general plan of such advertising in its booklet, giving a detailed history of the bank and incidental references to the growth of the city.

A brief historical sketch of the National Savings Bank of the City of Albany is given in a booklet that also contains interesting allusions to events in the early history of the city and a description of the bank's present home.

The Washington Trust Co. of Westerly, R. I., has commissioned the Publicity Department of the Bankers Publishing Co., to get out a very handsome booklet for it, sketching the history of the institution since its founding in 1800.

THE MAN BEHIND.

How Some Institutions Feature the Personnel of Management.

THE reproduction of the advertisement of the City Trust Company of Boston illustrates the value of calling attention to the strength of an institution's directorate or management and shows one way to do it.

The Security Of A Bank Account

DEPENDS largely upon the character and experience of the Directors of the Bank.

This company, with the protection of resources aggregating $23,000,000, offers also the advantage of a conservative and wise management under Directors who number men at the head of New England's leading enterprises.

City Trust Company

50 State Street, Boston

Confidence Inspiring.

The Northern National Bank of Ashland, Wis., in an attractive booklet says of its directors:

> Our Board of Directors consists of representative business men of Northern Wisconsin, an assurance to those having business with the bank that their interests will be surrounded by all the safeguards possible.

It comments on official changes thus:

> At the last meeting of the Board of Directors, the following changes were made in the official staff, owing to the resignation of Mr. Frank Boutin as vice-president. (Mr. Boutin remains as a director of the bank.)
>
> Mr. C. F. Latimer, cashier of the bank since its organization, was elected vice-president.
>
> Mr. R. B. Prince, for some years past assistant cashier, was elected cashier. Mr. Prince has been with the bank in various capacities for nearly twenty years.
>
> Mr. F. M. Cole, paying teller, was elected assistant cashier. Mr. Cole has been in the service of the bank for fifteen years.
>
> Mr. E. G. Fisher, receiving teller, and Mr. H. H. Fuller, accountant, have held positions of trust for periods covering twelve years.

The People's Savings Bank & Trust Co., of Moline, Ill., prefaces a complete statement of the business connections of its directors by saying:

> The personalities of the Board of Directors (that is, their success in business, and the careful judgment and business acumen which they bring to the management of the bank's affairs) count for more than capital stock and surplus. The stronger the business personalities of the directors and management, the more pronounced and substantial is the success of the bank.

One or two of these statements are particularly full of human interest, for example:

> C. H. Deere: President Deere & Co., Deere & Mansur Co.; John Deere Plow Co., Kansas City; Deere & Webber Co., Minneapolis; John Deere Plow Co., Omaha; John Deere Plow Co., St. Louis; John Deere Plow Co., Dallas, Texas; Deere Implement Co., San Francisco; John Deere Plow Co., Portland, Oregon; John Deere Plow Co., New Orleans; John Deere Plow Co., Indianapolis; Deere-Clark Motor Car Co., Moline; director American Trust & Savings Bank and Western Trust & Savings Bank, Chicago, etc., etc.
>
> P. H. Wessel: Practicing physician. Has practiced medicine in Moline for thirty-five years. Has been three times elected mayor of Moline. Held in very high esteem by his fellow citizens. Thoroughly prosperous in business. Is a member and treasurer of the State Board of Health.
>
> J. T. Browning: Practiced law in Moline for thirty-eight years. For last ten years has devoted his time entirely to the care of his property and to farming. Large holder of real estate in and around Moline. Lives on his farm one and one-third miles south of the city. In 1874-78 represented his Senatorial District in the Lower House of the State Legislature. One of the incorporators of the First National Bank (which was absorbed by the People Savings Bank and Trust Co. February 10, 1905) in 1863, and a member of its first Board of Directors. He has been one of the directors ever since, and for some years was president of the Peoples Savings Bank.
>
> J. S. Gillmore: Cashier of the bank from 1868 to January, 1906. Upon his resignation, the board of directors presented him with a year's salary as an indication of their appreciation of his many years of faithful service, and of the high esteem they hold for him.
>
> C. W. Lundahl: Cashier and Secretary of the Bank. Has been associated in the management of the bank for twenty-three years. For six years was assistant cashier. He is one of the most conspicuous examples in this locality as to the value and rewards of thrift and economy. He is a real estate holder in Moline. Though still in the prime of life, he has accumulated a competency by "mere dint" of hard work and careful living.

"Your money is safe under the eyes of such men. With ample capital and surplus; fifty years experience and success in banking, and an unusually strong Board of Directors, you cannot find an institution in the country better qualified to attend to your banking business."

The American Trust & Savings Bank of Chicago issued a handsome booklet containing a condensed statement of condition, a directory of the bank building and portraits of all the officers and directors of the bank, among whom are such prominent men as E. H. Gary of the United States Steel Corporation; E. P. Ripley, president of the Atchison, Topeka & Santa Fe Railway; and Theodore P. Shonts, of the Interborough R. R., New York.

"Men of Ripe Experience" is the title of a booklet issued by the Cleveland Trust Company as a compilation of the names and business affiliations of the Directors and Advisory Council of the company. In the introduction are the following paragraphs:

The character of a bank's management has much to do with gaining the public confidence, which is so necessary to its success. The directors must be well known and successful business men who are ever alert in the bank's interests and willing to give their conscientious efforts to increasing the business along safe lines.

If the names of the directors be ever so strong, however, and they are directors in name only, they are a source of weakness and might better be replaced by less conspicuous men who would appreciate the sacredness of the trust imposed on them.

The Cleveland Trust Company has been fortunate in having had from its beginning directors who have been enthusiastic in their devotion to its affairs, and have given their time and attention without stint to building up the Company's business.

No important action has been taken nor policy adopted by this bank without the sanction of the majority of its directors after careful consideration. The minutes of the company will show this to be true.

USE SIMPLE WORDS.

Plain Everyday Talk Has the Most Force in Advertising.

ONE fault that is quite common in the advertising of banks and other financial houses is that the language used is too stilted, formal and technical.

There are certain words which are part of the daily vocabulary of everybody, young and old, rich and poor, educated and uneducated. They are the domestic, the closely personal words that we all use when we are just ourselves and not trying to be dignified or reserved.

As a rule these words come of good old Anglo-Saxon stock. They are homely but strong. They are the heart of our English language, the most valuable heritage of our common tongue.

It is interesting to notice how few words of home and family and everyday life are of ponderous Latin or Greek derivation:

Mother.
Father.
Sister.
Brother.
Son.
Daughter.
Love.
Home.
Work.
Think.
Walk.
Talk.
Eat.
Drink.
Do.
Go.
Buy.
Sell.
Run.
See.

And so on, as far as you like. Think about it yourself and see if it is not true that these simple words are the ones most often used in daily life.

It is agreed that there is no better example of pure English that the King James version of the Bible, and its strongest passages are written in the simplest language.

Little Words—Big Thoughts.

It does not need big words to express big thoughts—quite the contrary sometimes.

What was the secret of Dwight L. Moody's oratorical power? Why did Charles H. Spurgeon have such a following? Why does Dr. Charles E. Jefferson fill Broadway Tabernacle to the last seat and hold the breathless attention of his hearers?

The answer is—strong, simple language with a direct personal application.

No matter how well educated we are, how much we have traveled and seen, or how old we are, we never get away from the influence of the simple language we learned at our mother's knee.

An uncle of the writer left his home in Scotland when he was a youth and came to this country to seek his fortune. But he was taken ill and died among strangers at Rochester, N. Y. On his deathbed he talked in a strange language which the hospital people could not understand.

It was Gaelic, the language of his childhood.

All this has a direct bearing upon your advertising problem.

You may think that the limited number of everyday words does not give you scope enough to tell your advertising story as fully as it ought to be told. That may be true, but there is nothing to prevent your

making your language as simple as possible without sacrificing clearness or strength.

Strength in Simplicity.

It is really wonderful how much can be said in simple talk and how strong it is. There is an advertising man in New York, Leroy Fairman by name, who has written a whole book in words of one syllable, and it is by no means a primer, either.

It pays the advertiser to be on the same ground as those he is trying to reach. Using commonly understood language is a great help in this direction.

When you meet a stranger you at once begin to talk about the weather or some other general topic.

Why it is?

Because it is easier to talk about something you have in common with the person you have met. Haven't you noticed how much better you get on with a stranger when you find out that he and you have visited the same places or perhaps used to know the same people years ago?

The inference is plain. Don't come at your prospective customers with "shop talk" and technical terms, which, while perfectly clear to you, may be all Greek to them.

Come down off your stilts. Use the terse, short, plain words with a grip in them, and don't talk over the heads of your possible customers.

One of the largest banks in New York made a failure of the attempt to sell a splendid investment security through advertising in magazines, and those familiar with the matter say that the fault was not in the securities or the times, but in the copy which was couched in terms so obscure to the average man that it was stale and unprofitable.

A Wise Publisher.

One magazine would not accept the advertising, because it was clearly seen that the copy had no pulling power, that there was no adequate "follow up" literature and that as a consequence the advertising would likely be a failure as results later proved it to be.

The manager of the publication referred to was wise in his generation and preferred not to give this bank the opportunity to lay the blame for failure upon his medium.

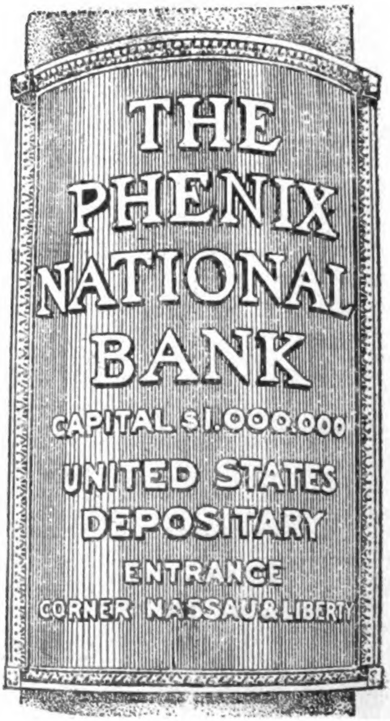
ABOUT THAT PHENIX AD.

We Go "Printers Ink" One Better and Suggest Improvement.

"PRINTERS INK," the "Little Schoolmaster" of the advertising business performed only half its duty, when in a recent issue it took occasion to criticise this advertisement of The Phenix National Bank.

The criticism had some justification but it was administered so caustically that it had no particular value either for the Phenix Bank or for financial advertisers in general.

The burden of showing a better way rests with the critic. We propose to criticise that same Phenix ad., but we will not be blind to its good points and will try to be



A Good Beginning.

constructive rather than destructive in our criticism.

This ad. is not as effective as it might be, but it is so much better than the average bank advertisement in the New York papers that it shines like a good deed in a naughty world.

It doesn't tell very much about the bank, it is true—just about as much as is done by the perfunctory advertising of many other New York banks.

But the cut of the bronze tablet is unique and attracts attention. However, just attracting attention to your advertisement is not enough.

What would you think of a man who shouted and waved at you on the street, and then, after making all this fuss over you, let you go on your way without telling you what it was all about?

Probably you would suspect the "D. T.s", or something like that.

If, after attracting your attention, he silently pointed you to his place of business, you would understand a little better, but the chances are you would not be convinced or satisfied even then.

It's like what John B. Gough used to say about sitting down on a hornet's nest —very stimulating but not very nourishing.

Most banks attract attention in a more or less feeble way by their card announcements. The Phenix ad. attracts attention strongly, but does little more than point out its location—a good thing in itself, but why stop there?

Why not use the same cut with a mortise in it for change of copy daily? There would be the same general publicity value, day by and cumulative, and in addition, there would be opportunity for a really interesting and educating campaign, though probably larger space would be needed to do it adequately.

That this would pay is proved by the experience of banks that have given the idea a thorough trying out. It is as certain as cause and effect.

If New York was a finished city, if there was no new generation of business men constantly coming up, if thousands of newcomers were not added to the city's population every week, if the human memory was perfect and the human mind not subject to what Drummond called "the expulsive power of a new affection" (i. e., if customers could not be weaned away to another bank) one statement of the Phenix Bank's, or any other bank's, claims upon the interest of the business public would be enough.

But what's the use? It is a condition and not a theory that confronts us.

FOR NATIONAL BANKS.

Good Talking Points For Advertisements of National Banks.

FOLLOWING are some points which can be used to advantage in general bank advertising:

Government supervision.

Frequent inspection by Comptroller of the Currency and by committee of directors.

Bank account a basis for loans.

Earning good dividends for stockholders.

Conservatism, progressiveness, courtesy.

Age and history of bank.

Details of Government regulation.

Campaign of education on banking methods.

Explaining statements in non-technical language.

Prompt collections.

Par arrangements.

Growth of community—resources and industries.

Capital, surplus, undivided profits.

Depository for United States, state, county, city.

Relative standing of bank among other institutions in community or country.

Growth of deposits shown graphically.

Double liability of stockholders.

Come in and meet officers.

Answering questions of public.

Advice on investment, business, etc.

Percentage of reserves.

The *number* of accounts as well as the total amount of deposits.

Physical protection, vaults, safes, time locks, burglar alarms, fireproof construction of building.

Banking by mail.

Location—as to territory surrounding and as to convenience in community.

Certificates of deposit—interest bearing, transferable by indorsement, not subject to attachment, good security.

Directors who direct.

Directors successful in other lines of business.

Not a "one man" bank.

Foreign exchange.

Clerks who use foreign languages.

Discounting negotiable paper and commercial bills.

Expert heads of departments.

Depositing all receipts with bank and making all disbursements by check.

Information department.

Modern equipment.

Drafts on principal cities of the world.

Letters of credit.

Travelers' checks.

Money transmitted by cable.

Officers and employees bonded.

Prestige of dealing with a big bank.

Prompt return of collections.

Frequent audits, examinations by directors' committee.

No past due paper.

No re-discounting.

Amount of circulation taken out.

Success of bank built on prosperity of customers.

Use of a motto.

Amount of deposits shows popular confidence.

Surplus and profits show prosperity.

Establishing a credit.

How capital is invested.

Long history shows satisfactory service.

Table of growth of deposits over a period of years.

Accuracy in detail.

How bank has weathered panics.

Advantages of bank money orders.
Personal wealth of stockholders.
The laws safeguarding National banks.
Banks add value to your property and convenience to your business.
Charging due paper unpaid to profit and loss.
Answering inquiries of non-residents.
Bank does not speculate nor promote speculative enterprises.
Membership in clearing-house.
Confidential relations between officers and customers.
Negotiating farm loans.
List of correspondent banks.
Record of loans made without loss or foreclosure.
Interest on time deposits.
Length of service of officers.
Making a feature of statement to Comptroller.
Proportion of surplus to capital.
Accuracy in detail: promptness in execution.
Number of dividends paid to stockholders.
Helping young business men.
Encouraging small deposits, Having many small notes.
Directors in constant touch with affairs of bank.
Bonds bought and sold.
Conservative, safe, panic-tried.
Real estate holdings of directors.
Build up your credit.
Night watchman—Electric alarm system.
Our customers' success is our success.
A time tested bank.
The quality of securities held.

ENTHUSIASM IS CONTAGIOUS.

Put Some Into Your Advertising and it Will Succeed Better.

THERE are today, and there always have been persons who frown upon enthusiasm.

There are certain circles where it is considered very much out of place to give any evidence of this spirit. Enthusiasm is regarded as vulgar and enthusiastic persons are not considered worthy of as much confidence and respect as are those who habitually hold their feelings in restraint and are never betrayed into a display of energy.

Nevertheless, the fact remains that nothing great ever has been or ever can be accomplished without enthusiasm somewhere on the part of somebody.

Until the last few years very little enthusiasm was shown in advertising. Look at the advertising pages in a file of magazines of twenty years ago. Then compare them with the advertising sections of modern magazines.

There has been a vast improvement not only in the mechanical end of advertising—in illustration, engraving and printing—but there is now a life, a vigor, an enthusiasm in advertising copy which was almost totally absent in the advertising of a comparatively few years ago.

Enthusiasm Means Progress.

That, with the enormous development of the circulation of periodicals, accounts for the great growth of the advertising business and the prosperity of institutions that advertise intelligently.

Some time ago the writer in connection with his work for the BANKERS MAGAZINE sent out a piece of advertising matter to a number of bankers.

It was a little out of the ordinary compared with the copy we had used before for that particular purpose. It had a little more human interest and enthusiasm in it, but was in good taste, if not superlatively dignified.

Incidentally it "pulled" better than anything we had ever used along that line.

But this same piece of advertising literature fell into the hands of one of our good friends of the extra dignified, *noblesse oblige* type.

Metaphorically speaking, he raised his hands in holy horror when he read this little human interest document of ours.

But he sent us his check just the same.

In the letter accompanying the remittance, however, he unburdened himself.

With tears in his voice, he sadly told us that we weren't dignified enough and that when addressing BANKERS we could not be too serious and respectful.

"He's Only Human."

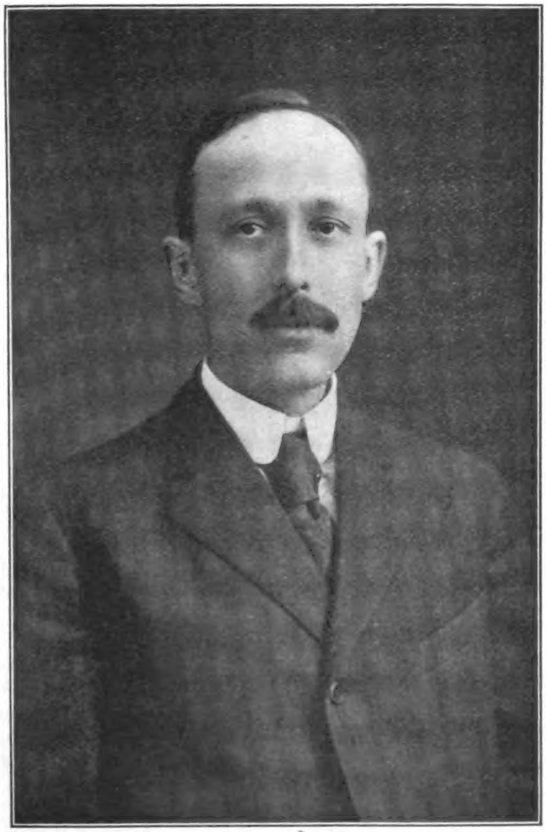
When the editor of this department was a cub reporter on the Syracuse Herald, one of his regular assignments was to go to the New York Central Railroad station when a prominent man was passing through and snatch a three-minute interview with him while the end-of-the-division change of engines was taking place.

When hesitancy about accepting the assignment was shown sometimes because of the great prominence of the personage en route—a Governor, Senator or Presidential candidate, for example—the city editor would say:

"What are you afraid of? He's only human.

That's it, we're all human, and one touch of nature makes the whole world kin.

It's a mighty good thing for the advertiser that human nature is the same everywhere and it's a mighty poor advertiser who doesn't make the most of it by putting the right



A. D. SALLEE
Advertising Manager Mellon National Bank, Pittsburgh.

kind of enthusiasm into his advertisements, his business letters, booklets, circulars and all the printed matter that represents him and seeks to further his business.

It is right and proper to be self respecting in your advertising, but just remember that ***enthusiasm, like faith, can remove mountains, but that unbending dignity never pays dividends.***

A. D. SALLEE

Advertising Manager Mellon National Bank.

MR. SALLEE was born in Fulton, Ill. He was educated in the Northern Illinois College at that place and studied law in Clinton, Iowa. He gave up law to become manager of the office of R. G. Dun & Co., at Davenport, Iowa. Later he gave up Dun's work to become credit manager for the Mellon National Bank, and recently assumed the additional position of advertising manager, in which he is very successful.

GLOSSARY OF TERMS COMMONLY USED IN ADVERTISING.

Advertising Agent.—One who handles advertising for another. Some agents are just "space brokers," getting their pay entirely in commissions from publications and those controlling advertising privileges. Others have copy and art departments and give their clients service in the preparation of advertising matter as well as in the mechanical details of an advertising campaign.

Agate Line.—A line in agate type. It is used as a measure of advertising space, fourteen agate lines being allowed to an inch, single column.

Antique Finish.—Term used when paper is not calendered.

Appropriation.—An amount of money set aside for advertising expense.

Boldface or Blackface Type.—A type having a conspicuous or heavy face, like this—**Boldface.**

Border.—A rule or design used around an advertisement or plate.

Calendered Paper.—Paper that has been given a glazed, glossy or wavy appearance by an ironing machine consisting of two or more heated cylinders.

Campaign.—A complete plan of advertising. Also the carrying out of the plan in all its details.

Chase.—A rectangular iron frame in which pages or columns of type are imposed.

Checking Up.—Verifying insertions of advertisements before paying bills for the advertising.

Circulation.—The circulation of a publication means the total number of copies printed and distributed to readers. The circulation of billboards, street car advertising, etc., means the number of people who see the advertising.

Closing Date.—The date upon which a periodical locks up its forms preparatory to going to press. Every publication has a fixed time every month, week or day after which it is impossible to accept copy of advertisements for that issue.

Color Work.—Copy printed in more than one color, usually done on a color press, and with several impressions.

Composition.—The setting up of type and arranging it for printing.

Compositor.—A typesetter.

Copy.—Manuscript (written or typewritten) or printed matter to be set up in type. Or, a photograph, drawing or other article of which a cut is to be made.

Cropping.—Cutting the edges of a negative or photograph so that a plate can be made with the desired proportionate reduction from the original copy.

Cut.—An engraved block or plate. Also the impression from such a plate.

Design.—The name given to the drawing or "art work" portion of an illustrated advertisement or the cover of a booklet.

Display.—The method used to make an advertisement stand out conspicuously. It can be done by large type, striking design, liberal use of white space or unusual arrangement.

Display Type.—Large type used for heads or lines in advertisements or other parts to be especially emphasized.

Dummy.—A working plan of a book, circular, etc., used to convey an idea of the size, form, stock and other particulars. It is used as a basis for cost estimates and to show how the completed work will look.

Electro, Electrotyping.—A duplicated copy of an engraving, made by suspending a wax copy in a solution of copper sulphate together with a plate of copper. An electric current deposits the copper on the impression, which is backed with a stiff metal, trimmed and blocked ready for the press; a means of duplicating plates and type matter by a combined chemical and electrical process. Electros are more durable that other printing plates.

E. O. D.—Every other day, meaning that an advertisement is to run alternate days in a daily paper.

E. O. W.—A mark meaning that an advertisement is to be run every other week in a weekly publication.

Em.—The portion of a line formerly occupied by the letter m, then a square type, used as a unit by which to measure the amount of printed matter on a page: the square of the body of a type.

Enameled Paper.—This is produced by a coating of glue and China clay, which fills up the pores of the paper.

Etching.—Producing designs or figures on a metal plate by means of lines eaten in or corroded by means of a strong acid.

Face.—The style or cut of a type or font of type. The printing surface.

Follow Up.—Personal and form letters, circulars, mailing cards, personal visits, and, in short, the whole system by which inquiries are turned into orders, inquirers into customers. A very important part of modern advertising.

Font.—A complete assortment of printing type of one size, including a due proportion of all the letters in the alphabet, large and small, points, accents, and whatever else is necessary for printing with that variety of types.

Form.—The type or other matter from which an impression is to be taken, arranged and secured in a chase, ready for printing.

Forms Close.—See "Closing Date."

Form Letter.—A letter prepared in advance and kept in stock to be sent to inquirers or as part of a follow up system. They are usually typewritten or printed in imitation of typewritten letters, space being left at the top to fill in the date and the address with the same color of ink as the body of the letter.

Halftone.—A copper plate upon which is reproduced any photograph, wash draw-

ing, or steel engraving, which is to be printed on paper. It is made by obtaining, through a glass screen, a negative which is then printed on the plate and etched to a suitable depth for printing. (See Screen.)

HOLDOVER.—Matter and copy held out of one issue of a publication for use in a later one.

IMPRESSION.—The imprint made by the pressure of the type or plate on the paper.

INQUIRY.—A request for further information concerning something advertised. It is the task of the advertiser to turn inquiries into orders or business.

INSERTIONS.—Means the number of times an advertisement appears in a publication. For example, "three insertions a week" means that the advertisement appears three times during the week.

KEY.—A means of telling how an advertisement or a medium pays the advertiser. Usually it is something in the address which differs in the various mediums used. For example: "Dept. A;" "Dept. B;" "Desk 5;" "Suite 105;" or "Send for booklet A," etc. A careful record of inquiries and sales or customers secured from each advertisement is kept by a great many advertisers. It is a wise thing to do, as it enables the advertiser to spend his advertising appropriation intelligently.

LAYOUT.—An accurately drawn outline marked so that the printer may know exactly how to set up an advertisement, circular, etc. On it are indicated the exact space, the size of type, position of cuts and other information to enable the printer to carry out the ideas of the advertiser.

LEAD.—A thin strip of type metal used to separate lines of type in printing.

LEADED.—Matter with proper leads dividing it for printing. Doubled leaded matter is more likely to attract attention than single leaded.

LINE CUT.—An engraving plate in which the effects are produced by lines of different width and closeness, cut upon copper, zinc or similar material.

LINOTYPE.—A type setting machine, operated as a typewriter, which casts the words in lines from the molten type-metal.

MAKE READY.—After the type matter and cuts are locked into the form printing cannot be started until the form is "made ready" for the press. That is, if a cut is too high it must be lowered. If it is too low it must be raised. If a "quad" or a "slug" sticks up it must be hammered down. Everything to be printed must be "type-high," so that the form will print evenly.

MAT, MATRIX.—See "Stereotype Plate."

MATTER.—Written manuscript or anything to be set in type; copy; also type set up and ready to be used, or which has been used in printing.

MEDIUM.—Any vehicle of advertising, as a magazine, newspaper, street car, billboard, calendar, novelty, etc.

MONOTYPE.—A typesetting machine which sets each individual type separately and not by lines as on a linotype.

MORTISE.—A portion of an engraved plate cut out so that type matter or another plate may be inserted.

PICA.—See "Point."

PLATE.—A piece of metal upon which anything is engraved for the purposes of printing. Also the impression from it.

POINT, THE POINT SYSTEM.—The size of type is now measured by the point system based on the pica body, which is divided into twelfths, which are termed points. Type founders now cast type of a uniform size and height. Seventy-two points or six picas make one inch. This matter is set in eight point.

PREFERRED POSITION.—A location of an advertisement in a magazine or newspaper which gives it the advantage in getting the attention of readers. Usually a higher rate is charged for such position.

PRESS.—A machine which makes impressions of type matter and plates upon a printing surface. The smallest presses are operated by hand. A cylinder press is one in which the impression is produced by a revolving cylinder under which the form passes. The stereotype plates are curved around a cylinder, instead of resting on a flat bed. All fast printing is done on cylinder presses.

PROOF.—A trial impression from type or plate taken for correction or examination.

PROOF-READER.—One who reads proof and makes corrections thereon.

PULL.—A term used in speaking of the results obtained from an advertisement, as "The ad. pulled well."

PURE READING MATTER.—News or general articles in a newspaper or magazine. Position for an advertisement next to pure reading matter is desirable because in that location the announcement is more likely to be seen and read.

QUOIN.—A metal wedge used to lock up a form within a chase.

RATE CARD.—A printed list of prices for advertising space, with information as to discounts, special positions, etc.

READING NOTICE.—An advertisement set so that it looks like a news or general article. The charge for such notices is higher than for the same space in display type.

Ream.—There are 500 sheets of paper to a ream, but the size of the sheet and the weight of a ream differ according to the kind of paper.

Register.—The correspondence or adjustment of the several impressions in a design which is printed in parts, especially in multi-color work.

Revise.—To compare (a proof) with a previous proof of the same matter, and mark again such errors as have not been corrected in the type.

Selling Force.—The strength of copy—its ability to induce action in the desired direction on the part of readers.

Set Up.—To compose; to arrange type in words, lines, etc.

Sizing.—A vegetable, resinous substance mixed in with the wood pulp from which paper is made to render the paper suitable to take ink properly.

Stereotype Plate.—Made by setting movable type as for ordinary printing; from these a cast is taken in paper pulp, or the

A Good Floor Plate.

like, and upon this cast melted type metal is poured, which, when hardened, makes a solid page or column, from which the impression is taken as from type. The mold is made by beating or pressing paper mache into a form and drying it quickly. The paper form is called a mat. A stereotype is more durable than type matter.

Rule.—A thin plate of metal (usually brass) of the same height as the type, used for printing lines, as between columns, for borders, or in tabular work.

Screen.—In making halftones a glass screen is interposed between the copy and the camera, producing a negative of dots and lines which gives the desired tone and shading to the illustration. For use in newspapers, a coarse screen (about 60-line) is best. For a better grade of paper, as in a magazine, 110 or 120-line screen should be used. On highly enameled paper a still finer screen is desirable.

Stick.—An instrument of metal which the typesetter holds in his left hand in which to arrange the type in words and lines. It has one open side and one adjustable end. The term is sometimes used as a measure of space. A "stick" of matter

means about as much in length as this column is wide.

Stone.—A stand or table with a smooth, flat top of stone, commonly marble, on which to arrange the pages of a book, newspaper, etc., before printing.

Talking Points.—Features of a proposition that make good arguments to use in copy advertising it.

T. F.—Till forbid, meaning run the advertisement until a cancellation order is received.

Typography.—Means the general makeup and appearance of a piece of advertising looked at from a printing standpoint.

Zinc Plate.—Made from a negative taken from pen and ink drawing, type matter, etc., by a direct process. The negative is reproduced on a zinc plate and etched to a proper printing depth.

—*From "Pushing Your Business,"*
by T. D. MacGregor.

HOW BANKS ARE ADVERTISING.

Note and Comment on Current Financial Publicity.

THE bronze floor seal, reproduced herewith, is used in the building of the American Security & Trust Co., Washington, D. C. It was made by the Wm. H. Jackson Co. of New York.

The National Shawmut Bank of Boston has issued, through the Walton Advertising & Printing Co., a very attractive booklet with reading matter and photographs descriptive of its new building.

The American Trust Company, of Boston, reprinted in the form of a covered leaflet an editorial from the Boston "Transcript" entitled "Boston After the Panic." The leaflet was accompanied by a letter, a paragraph of which is as follows:

The test of a financial institution is its ability to take care of its customers in times of stress. In other parts of the country, depositors have been refused currency or necessary accomodations by their banks, whereas the American Trust Company has not refused a single depositor cash, and, we believe we are safe in saying, that, where their accounts warranted it, it has extended to all customers such accomodations as they have needed to meet the legitimate demands of their business. Moreover, in all financial centres, the banks have had to issue Clearing House Certificates, in other words, discharge their obligations to one another by means of loans, and many of the trust companies have had to borrow money. This Company, on the other hand, has been able to meet the demands made upon it without asking help from anybody, or without borrowing money in any way, and we believe that the public will recognize that, in the long run, soundness and conservatism are more desirable than high rates of interest paid on deposits in defiance of good banking methods.

The post card advertising idea is used to some extent by The First National Bank of Chicago, which issues a card with an embossed view of its building on it. The Old National Bank of Spokane, Wash., sends out a 3-color view of the interior of its building. The American National of Indianapolis issues a double mailing card effectively advertising its safe deposit department, by graphically showing the dangers of fire and burglary.

The Mercantile National Bank of Pueblo, Colo., in addition to a view of its house gives on the card figures showing the large growth of deposits in the past six years.

Neat Leaflet Cover.

The Security Savings Bank of Los Angeles, Calif., is doing some very creditable advertising—so good that it is a safe

bet that the results are satisfactory. The illustration is from the cover of a very neat and tasteful 2-color leaflet conveying the January 1 statement of the institution. Mr. J. Henry Wood is in charge of this advertising.

"It is a fact which can be depended upon that wherever you find the manager of a strong bank (and by this I do not mean a large bank—for a small bank can be just as strong as a large one, that is a bank with $50,000 deposits can be just as solvent as a bank with $50,000,000)—wherever in this sense you find the head of a strong bank, you find a man who welcomes, courts and pleads for examinations. Such a view was expressed the other day by a manager who said: "I think I know everything that is going on in this bank. But I may not. If an examiner comes who knows his business, the books are ready for him at any time. I want to know if he can find out anything that I don't know already."—From an Address Delivered Before the Oregon Bar Association.

Notice These Things :

FIRST :

That strong banks can be found at home as well as in the great cities.

SECONDLY :

That a National Bank is officially examined at least twice as often as any other bank.

LASTLY :

That The First National adds two more audits by its own Directors every year, and is always ready at any time for a searching examination.

The FIRST NATIONAL BANK

UNITED STATES DEPOSITARY

N. E. Corner First and Brown Sts., Napa, Cal.

Educational Advertising.

The Cleveland Trust Co. issues an interesting house organ called "The Eagle Eye." Nothing escapes the eagle eye of its editor apparently—at least nothing that is of interest to the officers, employees and customers of the main offices and branches of this institution.

A Savings Bank Book

is issued upon an initial deposit of any amount from $1.00 up, and 3% interest, compounded twice a year, is allowed thereon.

First Trust and Savings Bank
First National Bank Building

A Concrete Illustration.

The Farmers & Mechanics' Savings Bank of Sacramento, Calif., uses a bright red, circular sticker on its business envelopes to tell people that one dollar starts an interest bearing account.

Coat of Arms Used by the Mellon National Bank of Pittsburgh,

The Mellon National Bank of Pittsburgh, Pa., issues a very complete and well printed copy of its report to the Comptroller, February 14.

The First National Bank of Napa, Calif., one of whose newspaper ads is reproduced in this Department, sends the following account of its advertising:

A Good Model.

The Bank opened for business on the First of July, 1904. Up to that time, none of the commercial banks of this city had adopted modern publicity in any way, going so far as not to publish statements of condition. (I may say, parenthetically, that one commercial bank—now the smallest in deposits in this city still declines to publish statements in any way.)

This bank adopted an entirely different policy. Putting in modern equipment and a safe deposit vault, we advertised them persistently and thoroughly from the start. Full and complete statements of condition, information concerning the personnel of the bank, the methods used in the conduct of its business, the safeguards thrown around its deposits and loans, were all published through local newspaper advertisements and a house organ known as "First National Bank Notes" which was mailed to depositors and others, monthly. The result of this publicity campaign is best shown in the steady growth of deposits. At this writing they are considerably over $650,000, in addition to about $300,000 deposits carried by the Napa Savings Bank—a separate and exclusive savings bank business owned and managed by the stockholders of the First National, which has used similar methods of advertising.

We have thus close to a million dollars of deposits, in a town where the total bank deposits are only twice this amount, and this on a total capital (National and Savings) of but $75,000, as against the com-

bined capital and surplus of $475,000 of our two competitors, who carry about an equal amount of deposits.

This, I believe you will agree with me, is not a bad showing for so short a time, in a country town of about 7,000 population, within forty miles of the city of San Francisco. E. L. Bickford, Cashier.

Strength and Fidelity.

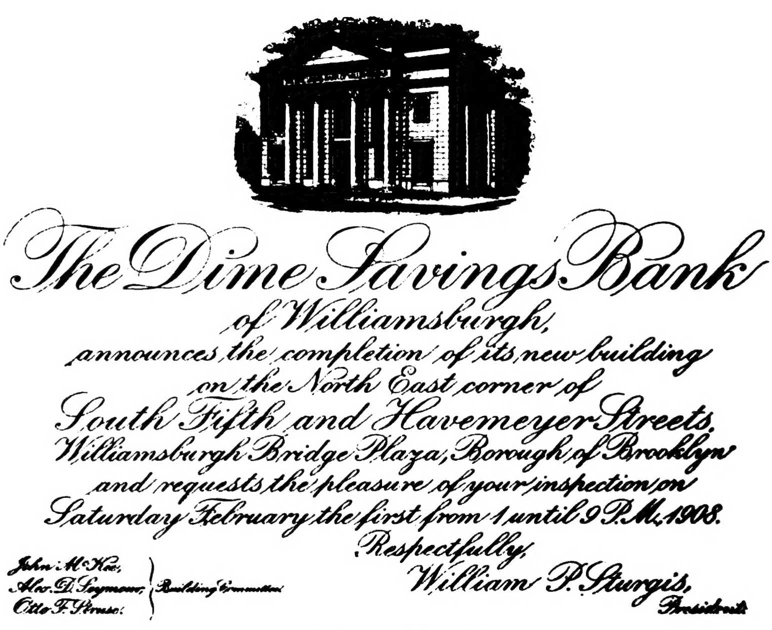
The ad. of the First Trust & Savings Bank of Chicago is good in every way and the idea is worthy of emulation.

E. H. Rollins & Son of Boston make a timely use of the Shakespearian quotation· "There is a tide in the affairs of men, which taken at the flood, leads on to fortune" as the heading for a circular urging people to buy bonds now.

The Union Trust Co. of Spokane has been running a very good series of newspaper advertisements, a sample of which is reproduced. This advertising is handled by Mr. W. J. Kommers, who also looks after advertising for the Old National Bank, of which he is assistant cashier. We can suggest no improvement in this advertisement. It is neat, strong and interesting. If all bank advertising was as good as this there would be a great increase in the aggregate amount of business handled by banks and trust companies. Some time ago the Union Trust Company ran full page advertisements in Spokane papers advertising its facilities and describing in particular its armor plate vaults.

It is not a bit too early to begin advertising travelers' checks for foreign tourists. The Haverhill National Bank ad. shows how to do this well in small space. This ad. would have been better if the first few words "Are You Going Abroad" had been used for a head.

A dog's head is rather an unusual emblem for a bank. "Prince," reproduced



This is in Good Taste.

DATE________________

Commonwealth Trust Co.
Pittsburgh, Pa.

Dear Sirs:—Below are the names and addresses of five (5) people whom I know personally. I think that they would be interested in your 4 per cent. interest proposition for banking savings deposits by mail. Kindly mail them your booklet "Systematic Saving," and oblige.

NAME________________

ADDRESS________________

1 NAME________ ADDRESS________

2 NAME________ ADDRESS________

3 NAME________ ADDRESS________

4 NAME________ ADDRESS________

5 NAME________ ADDRESS________

Names Are Valuable.

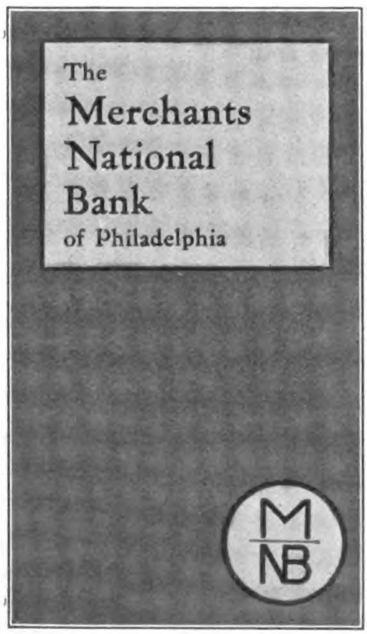
herewith, stands for the Farmers Deposit Savings Bank of Pittsburg. The original "Prince" was the property of Mr. T. H. Given, president of the bank.

The Dime Savings Bank of Williamsburgh, New York City, announced the completion of its new building by sending to its customers and others the neatly engraved card which is reproduced in this department.

In the banking by mail business one of the most important things is to get the names of good prospects. One way to do it is illustrated by the postal card sent out by the Commonwealth Trust Co., of Pittsburgh.

Speaking of the folder of the Merchants National Bank of Philadelphia, the cover of which is reproduced, Mr. Freas Brown Snyder of the bank says:

"We use a similar form for each call, varying only in the color. The type is Powell face, a form which we are adopting in all our stationery and in our advertising matter as far as possible. You will also note that the little trade mark occupies its usually conspicuous place."



An Attractive Cover.

INCOME WITHOUT WORK.

If you are only half persuaded to buy one of our mortgages, call to see us and talk it over, or write for some of our literature. In response to inquiries we sent booklets last month to twenty-four States, and one man wrote from the Argentine Republic.

You may buy from us a mortgage with payment guaranteed by the Bond and Mortgage Company and then travel for years at your ease, care free. Your interest checks will reach your bank with absolute regularity. We have also unguaranteed mortgages which will pay ½% more interest.

TITLE GUARANTEE AND TRUST CO.

Capital and Surplus, - $12,000,000
176 B'way, N. Y. 175 Remsen St., Bklyn.
350 Fulton St., Jamaica.

A Real Advertisement.

"Income Without Work" is the interesting head on a good small advertisement of the Title Guarantee & Trust Co. of New York. The clear, conspicuous type is another good feature of this ad.

Again we request anybody interested in financial advertising to send samples of advertising and to discuss any point brought up in this department. We would especially like to receive statements of results obtained from continuous advertising campaigns along modern lines. We want to get acquainted with the advertising managers of as many banks as possible. Write to us to-day.

"OVERS AND SHORTS."

UNSEEN BLESSINGS.

YOU may have read about the blessings of poverty, but did you ever see any of them?—*Chicago News.*

A HARD QUESTION.

"A BURGLAR asked me a conundrum yesterday."

"A conundrum. What was it?"

"'Where's your money?'"

"What did you say?"

"Gave it up."—*Philadelphia Bulletin.*

PLAYING BANK.

"PAPA, give me a dollar?"

"What for?"

"Oh, just to own."

"All right, Johnnie. You can own the dollar I have in my pocket and I'll play I'm the bank and keep it for you."—*Philadelphia Telegraph.*

COLD CASH DEFINED.

WHY is it called cold cash? Because so many people freeze onto it.— —*Philadelphia Bulletin.*

HELPING HIM OUT.

"I SUPPOSE old Cashman has more money than he knows what to do with?"

"Yes; but his wife and daughters are ready to supply the needed information." —*Pearson's Weekly.*

GETTING THE DRUG HABIT.

IF it is true, as some bankers say, that money is becoming a "drug," a few of us would like a prescription.—*Philadelphia Inquirer.*

THE TELLER'S RETORT.

THE cashier—"Come here just a minute."

The teller (counting money)—"Can't; I have my hands in the dough."—*The Northern Budget.*

A BAD MONEY PANIC.

"WHAT was the worst money panic you ever saw, colonel?" asked the interviewer.

"The worst money panic I ever saw," replied the great financier, "was when a nickel rolled under the seats of a street car and seven women claimed it."—*Chicago News.*

"IT'S AN ILL WIND."

"YES," said the dry goods salesman, "the recent money flurry hit all parts of the country, even the farmers. Set them to hoarding money. You doubtless noticed it."

"You bet I did," replied Mr. Yardcloth, the enterprising general merchant at Corncob Corners. "But there was lots of money in this section, after all. I had bigger sales in the larger sizes of stockings than I ever had before."—*Puck.*

PUTTING IN AND TAKING OUT.

MRS. FERGUSON—"George, what do you have to do when you want to draw some money out of a bank?"

Mr. Ferguson—"You nave to put some money in the bank beforehand. That's always been my experience."—*Chicago Tribune.*

AWFUL CHARGE AGAINST MONEY.

WHEN money was invented, grief was invented and trouble and hell-raising and a lot of other things were also invented.—*Los Angeles Times.*

ART OF ACQUIRING MONEY.

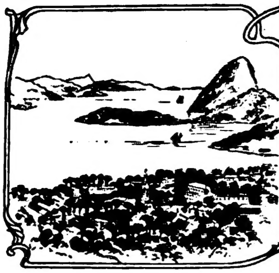
"TO what do you attribute your success in acquiring money?"

"Partly to the success of other men in letting go of it," replied the great financier.—*Philadelphia Public Ledger.*

FINANCIAL TERM EXPLAINED.

"PA, what's preferred stock?"

"The kind we didn't buy when we look at the list the morning after our order has been filled."—*Chicago Record-Herald.*



LATIN AMERICA

GERMAN MERCHANTS AFTER MEXICAN TRADE.

SPECIAL AGENT BUTMAN forwards from the City of Mexico the following statement regarding the activity of German merchants in Mexico, taken from the "Mexican Herald":

"German merchants are waking up to the great field for trade developments in this country, and many houses which last year entered the export field are doing a large business. Their success is causing other companies to follow their example, and the coming year will see many Hamburg houses, not formerly represented, sending representatives to this Republic to make a bid for a share in the business which is being done. One representative of a line of German export houses in Mexico, Central, and South America and the southern part of the United States is at present in the city, and, discussing business conditions with reference to the exportation of German wares and products into Mexico, he said:

" 'Germany is at the present time exporting to Mexico vast quantities of dry goods, furniture, farming, mining machinery, and other goods, and this export business, which has in the past had a remarkable growth, is destined to have a still greater expansion during the coming year, because of the fact that the German manufacturer is becoming more alive to the great field of trade which is as yet practically undeveloped, and which by proper effort and exercise of business judgment can be turned his way. Many export firms, which in the past have not figured in Mexico's trade, will enter the field this coming year, and will send traveling representatives into Mexico to teach the worth of German wares. German export houses at Hamburg are doing excellent business, and their trade with Mexico is increasing at a gratifying rate.' "

COPPER PRODUCTION IN PERU.

CERRO DE PASCO is the most important center of the many extensive American mining interests in Peru. During the last seven or eight years a group of capitalists in the United States by their investments have restored the prestige which the region gained in Spanish colonial times as one of the world's greatest sources of mineral wealth. The difference is that in the former era the mines were exploited for the precious metals, principally silver, of which 450,000,000 ounces were taken from the time of the discovery up to the middle of the last century, while the present development is of the copper deposits with silver as a by-product. The American investments were made when the fall in silver rendered the operation of the mines for that ore alone unprofitable, and after investigation had confirmed the existence of copper deposits which assured this district as one of the world's leading sources of supply for an indefinite period.

During 1907 the Cerro de Pasco Company shipped 20,152,000 pounds of copper to the United States, most of it via Panama. In December the quantity was 2,500,000 pounds, the highest of any month during the year. While freight facilities to the coast have to be taken into consideration, and more particularly the congested condition, and the insufficient facilities afforded commerce at Callao, it is assumed that this quantity will be main-

tained as the monthly average during 1908, and the total shipments for the year will amount to 30,000,000 pounds, or 15,000 tons. From this quantity a gradual increase to 50,000,000, and later to 75,000,000 pounds, is predicted, independent production supplementing it. The Peruvian prediction is that the ultimate copper output of Cerro de Pasco and the adjoining districts will be 50,000 tons.

BANK OF SONORA.

THE "Chihuahua (Mexico) Enterprise" of recent date says:

"The local branch of the Banco de Sonora has just received notice from the home office at Hermosillo, Son., that a dividend of $16 a share will be paid out of the profits of last year due on January 15th. Later others may be paid. The bank is capitalized at $1,500,000, par value $100 a share, with $750,000 surplus, so that this is at the rate of sixteen per cent., and the amount paid out will be $240,000. The bank has its main office in Hermosillo, with branches in Nogales, Guaymas and Alamos, Son., and Chihuahua, also agencies throughout Mexico and correspondents throughout the world. Its stock is quoted on the exchange at 275 pesos a share, the highest in the republic with one exception, and it is one of three bank stocks that are rated above $200."

FOR COMMERCIAL UNIFORMITY.

AN outcome of the recent Central American Peace Conference at Washington that promises to be of considerable importance to business interests is the provision for commercial uniformity.

This convention, which is to remain in force not less than five years, provides that each of the Governments of Guatemala, Costa Rica, Honduras, Nicaragua and Salvador shall name within a month from the date of the last ratification of the agreement, one or more commissions to study its monetary and customs systems, especially in so far as they relate to those of the other nations and intercourse among them, the system of weights and measures and other matters of an economic and fiscal nature in which uniformity is desirable. The commissions are to report within six months of their creation. The reports are to be exchanged between the five countries, and each Government binds itself to appoint one or more delegates to a Central American conference, to be opened on the first of the following January, to form a convention for the promotion of uniformity in these matters among the countries. This conference is to meet annually in January for the further consideration of the subjects within its province. The first meeting is to be at Tegucigalpa.

NEXT PAN-AMERICAN CONFERENCE.

THE governing board of the International Bureau of American Republics, at a meeting on February 5, presided over by Secretary Root and attended by a majority of the diplomatic representatives in Washington of the American nations, voted by acclamation that the fourth Pan-American conference should meet at Buenos Ayres, Argentine Republic, on May 25, 1910, the year of the one hundredth anniversary of the independence of that republic.

CENSUS OF CHILE.

CONSUL ALFRED A. WINSLOW, writing from Valparaiso, states that the returns made of the census taken November 30, 1907, gives that city, with its immediate suburbs, a population of 197,596 against 142,000 in 1895, notwithstanding the setback given the city by the earthquake of August 16, 1906. He adds:

"The population of Santiago, the capital of the country, is given at 378,711, and the total estimated for the whole of Chile is 3,871,000, taking as a

basis the returns so far reported. The population of Chile in 1895 was 2,712,145, which shows a gain of 1,158,855 for the twelve years, or nearly 43 per cent. The population of the next five largest cities is as follows: Concepcion, 55,554; Iquique, 32,269; Talca, 38,000; Antofagasta, 32,219, and Chillan, 30,684."

NITRATE PRODUCTION OF SOUTH AMERICA.

FROM 1830 until 1907 the nitrate fields of Peru and Chile have produced 36,443,327 tons of nitrate, valued at $1,112,728,765 United States gold. About two-fifths of this was produced during the last ten years. There has been much said about the exhaustion of the nitrate mines or beds, but from the best information obtainable they are good for two hundred or three hundred years, even at double the production, which is about 2,000,000 tons per year. Fully one-half the production has been net profit, but a new process has been invented that will do for the nitrate business what the cyanide process did for the gold production. Heretofore from nine to ten per cent. has been left in the waste, but with the new process it is claimed that there will not be a loss of two per cent. and at a less cost of production than by the old method. Even the waste or tailings can be worked with a great profit.

MINISTER CARBO RETURNS FROM ECUADOR.

SENOR DON LUIS FELIPE CARBO, Minister from Ecuador, has returned to Washington after an absence of about eight months. While in Quito Señor Carbo performed the duties of Minister of Foreign Affairs.

GENERAL NOTES.

—The State of Sinaloa has granted the Kansas City, Mexico and Orient Railroad a subsidy of $200,000 for building its line across the State. The State of Chihuahua

granted a subsidy of $750,000 and the Mexican Government $6,100,000 for building this road.

—It is announced that arrangements have been completed for the merger of the Mexican Central Railway and the National Railroad of Mexico.

—The Bank of Yucatan and the Mercantile Bank of Yucatan are to be merged under the title of the Peninsular Bank of Mexico.

—Employees of the Mexican railways have been directed to learn the Spanish language or relinquish their positions.

—As an indication of the prosperity of the banks of Mexico, it is stated by the "Chihuahua Enterprise" that there are only two banks in Mexico whose shares are below par, and these are institutions now in course of consolidation. Of the other banks there are but two whose shares are quoted below 125.

—The Banco Comercial of Chihuahua, Mexico, has declared a dividend of $6 a share as a first payment of 1907. Another of $4 will be made in July, making ten per cent. annually. The capital stock is $200,000.

PUBLISHERS ANNOUNCEMENTS

MANY NEW READERS.

DURING the past few weeks we have been conducting a successful campaign for new subscribers. As a result we are able this month to greet a large number of our new regular readers of the MAGAZINE. We welcome them to our circle and hope that we may help each other for many years to come. We are glad to say that in the majority of cases, once a subscriber, always a subscriber, is the rule with those who go on our subscription lists.

MORE APPRECIATION.

THE "Advertisers Magazine" of Kansas City, Mo., in its February number, says:

"We are in receipt of a 16-page reprint from THE BANKERS MAGAZINE, 90 William street, New York, containing some of the most instructive matter on banking advertising that has ever come to our notice. This is a regular department of THE BANKERS MAGAZINE, conducted under the heading of 'Banking Publicity,' by T. D. MacGregor. The department is filled with instructive matter on the writing of newspaper advertisements, booklets and other publicity matter for banking institutions, and there are several dozen excellent advertisements reproduced in the January issue."

Mercantile Trust Co.,
St. Louis, Mo.
February 27, 1908.

Bankers Magazine,
90 William St.,
New York.

Gentlemen: We note that you are celebrating your sixty-second birthday, and wish to congratulate you.

We find your magazine of great usefulness to us in our law and banking matters.

Very truly yours,

MERCANTILE TRUST COMPANY,
By Virgil M. Harris,
Trust Officer.

A large national bank recently bought seventy back numbers of THE BANKERS MAGAZINE in order to provide itself with a complete file of several years.

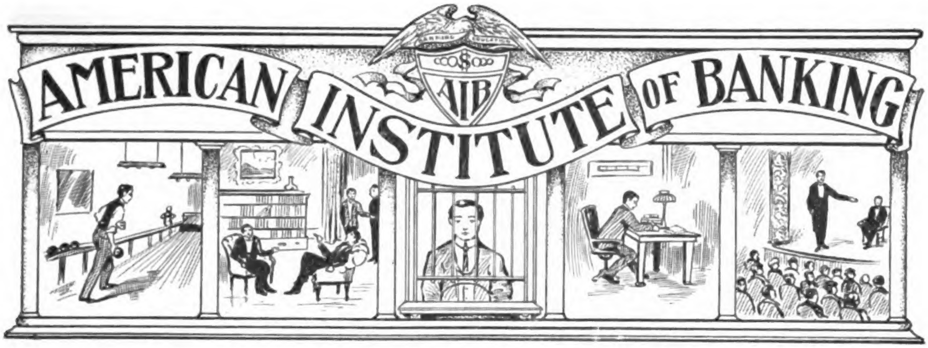
"We have taken your MAGAZINE so long we would be lost without it. N. Y. draft herewith to renew."—First Nat'l Bank of Waitsburg, Wash.

NEW BOOK ON FINANCIAL ADVERTISING.

WE announce this month the publication of a very practical book on financial advertising. It is entitled "Pushing Your Business," and is written by Mr. T. J. MacGregor, editor of our "Banking Publicity" department, who is a recognized authority on the subject and a man of extensive and successful experience in that field. "Pushing Your Business" is something new and entirely different. Unlike most books on the subject of bank advertising, it does not consist largely of reproductions of advertisements and models to be followed blindly, but it strikes right at the root of matters by telling students of financial publicity the why and how of advertising, teaching them how to put originality and business force into their advertising, and, in short, helping them to help themselves, which is the true idea in advertising just as it is in the educational or business worlds generally.

"Pushing Your Business" shows the advertiser how to learn by doing, and it is calculated to give experienced advertisers points that ought to result in more business for them. We think that every advertiser can learn something from a man who has written financial advertising that has produced many thousands of dollars' worth of business.

The price of the book, one dollar, is low —much lower than that of any other book on this subject, and, we believe, out of all proportion to its great value to anyone interested in pushing his business by modern advertising methods.



SPECIAL NOTICE.

THIS department is conducted in the interests of the American Institute of Banking. From time to time articles of special value to members of the Institute will appear here and it is intended to publish as much news of the various chapters as possible. It is hoped that each chapter will appoint someone whose regular duty it shall be to correspond with THE BANKERS MAGAZINE for this purpose.

Group and individual photographs of officers and members, photographs of chapter rooms, accounts of banquets, debates, chapter progress, etc., are especially desired. News and photographs must reach us by the 29th of the month to be in time for the following month's issue.

Gentlemen of the A. I. B., keep in touch with other chapters and the banking world in general through this department of THE BANKERS MAGAZINE.

NEW YORK CHAPTER'S QUIZ.

Mr. James G. Cannon Conducts Part of the Chapter's Educational Work—Other Speakers.

THE American Institute of Banking was founded at Richmond, Va., seven years ago by the American Bankers' Association. The purpose was to equip men to carry on the business of banking intelligently, through a thorough understanding of its fundamental principles. This was to be accomplished by a study of the business of banking from an economic and scientific point of view together with talks from time to time by practical bank men.

New York Chapter has not been behind other chapters in working along these lines. Its program during the present season has covered lectures from some of the most prominent professors and laymen, among whom may be mentioned Prof. Joseph F. Johnson of New York University, Prof. Edwin R. A. Seligman of Columbia University, Prof. Cleveland F. Bacon of New York Law School, John Moody of "Moody's Manual" and James G. Cannon, vice-president of the Fourth National Bank.

The officers of the chapter are: President, H. S. Andrews of the Garfield National Bank; first vice-president, J. B. Korndorfer of the Irving National Exchange Bank; second vice-president, W. B. Matteson of the National City Bank; secretary, R. P. Kavanagh, of the Fifth Avenue Bank of New York; treasurer, E. N. Wilson of the Title Guarantee & Trust Company.

Mr. Cannon's talk on February 27 was of a very interesting and novel character, being in the nature of a quiz. Mr. Cannon's questions, and answers by chapter members were as follows:

1. What is a bank for?

   For the safe keeping of money.
   To accommodate the public.
   To buy and sell credit.
   To collect money.
   To facilitate exchange.
   To pay dividends.

2. What have been the changes in the banking business in the last five years?

   Beneficial changes:
   Consolidation.
   Clearing house charges.
   Development of credit department.
   Negotiable Instruments Law.
   New weekly statements.
   Detrimental changes:
   Reckless competition.
   Branch banking.
   Paying interest.
   Schemers.
   Non-conservatism.

3. How can the bank clerk be induced to take more interest in his work?

   By systems of promotion.
   (a) raise in salaries.
   (b) changes in departments.
   By use of up-to-date tools.
   By studying banking, and the work of his own institution.

4. Have the labor-saving devices helped the clerical end of the business?

   Majority of members hold that it has, because
   The energy of the clerks may be saved for more important work,
   Labor saving devices save wear and tear on the men, and
   Thinkers, instead of machines, are made of the clerks.

5. Is there any part of the work in the banks which may be more standardized?

Voucher checks may be abolished.
Clearing House number of the bank should appear on the checks.
All checks should be uniform in size.
The name of the bank should be the important feature of a check.
Clearing House exchange slips should be uniform.
Clearing House on credits.
Clearing House on country checks.
All remittance letters should be uniform.
No typewritten checks.
Uniform endorsements.

6. Why do bank clerks get in a rut?

Afraid to take a chance.
Afraid of responsibility.
Afraid of work.
Self satisfaction.
Lack of initiative.
Specialization.
Lack of knowledge.
Some one mentioned "Lack of pull," but after a discussion, in which Mr. Cannon took active part, the large majority voted that "Pull" is a rare thing in New York banks.

7. Why do bank officers get into a rut? How can they be more helpful to the clerks?

By being more democratic.
By using personal example and influence with the clerks.
By becoming familiar with the standing of the bank's customers.
By remembering that they were bank clerks themselves at one time.
By observing closely the work and character of the clerks—not too close.
By endeavoring to do away with friction among the men.
By asking for new ideas from the men and giving credit for them.
By conference with heads of departments, and having confidence in the heads of departments.
By encouraging organization among the employees.
By bestowing praise when necessary.
By encouraging thrift.
By giving the clerks a lift.
(a) periodical talks.
(b) good advice—speak of need and value of trained bankers.
(c) promote feeling of good fellowship.
By putting men on their honor instead of watching them.

8. How should promotions be made in the bank?

(a) Ability.
Education.
Executive ability.
(b) Service.
Priority of service.
Good work.
Cheerfulness in working.
(c) Good address.

9. Is there a line of promotion in a bank, and what is it generally?

Messenger.
Check desk.
Corr. department.
Tellers. Book-keepers

10. What would you consider a valuable account in a bank?

An account with a large average balance and no overdrafts.
Good discounting account.
A large account, with requests for some favors.
An account in which there are deposits of numerous foreign checks.
An account which is influential in bringing other accounts.
An account which represents a good local business.
An account on which there is a great number of transactions, and which averages a good balance
(a) because a large number of checks advertise the bank.

R. P. Kavanagh,
March 2, 1908. *Secretary.*

PROMOTIONS AT DETROIT.

Detroit Chapter is glad to record honors that, within the past few weeks, have come to two of its members.

Frank W. Blair, who for the past two years has been the auditor of the Peoples State Bank, was recently elected president of the Union Trust Company. Mr. Blair's success has been very marked. Some eight years ago he entered the office of the Auditor General of Michigan, leaving in 1904 to accept an appointment in the State Banking Commissioner's department. His duties here were performed with such ability as to elicit praise from Michigan bankers, and his call to the auditorship of The Peoples State Bank resulted. In this position he made many friends and demonstrated that opinions of his ability were correct.

George T. Courtney, who succeeds Mr. Blair as auditor of the Peoples State Bank, has been with that institution for twenty-one years, starting as messenger and working through every desk in the bank. His promotion is a recognition of high character, ability and faithful services.

On Thursday, February 13, the Chapter formally opened its new library and reading room with a reception, at which Col. Fred E. Farnsworth, secretary of the American Bankers' Association, was the guest of honor. During the evening Colonel Farnsworth expressed the interest which he and the American Bankers' Association have in the Institute, complimenting the organization upon the good work which it is doing, and pledging his support to it in the future. Our room is a large, well-furnished one, where nearly every financial publication of the country, together with the various Institute and Chapter organs and current magazines, are on file.

Under the leadership of a hustling membership committee the Chapter is growing rapidly, over 80 members having been added to our roll in the first two months of the year, putting us safely above the 300 mark —and the end is not yet apparent.

R. T. Cudmore, *Secy.*

CHICAGO WINS THE DEBATE.

But the Indianapolis Men Were Not Easily Downed.

THE Government must establish a system of Postal savings banks.

There's no way out of it because in the Inter-City debate between the Indianapolis and Chicago Chapters on February 11 the Chicago men won, supporting the affirmative side of the question:

"Resolved, That the Government should establish and maintain a system of Postal savings banks."

The debate was held in Booth Hall, Northwestern University Bldg., Chicago. The judges were: Julius Stern, president of the Citizens Association of Chicago; George W. Underwood, assistant States Attorney; and Henry P. Chandler, coach of the Chicago University debating teams.

The Chicago Chapter is jubilant over winning this debate, because it adds another victory to its list and gives further ground for the claim that the Chicago team is Western champion.

Extracts from the arguments of all of the debaters are as follows:

AFFIRMATIVE.

Fostering Thrift.

M. F. Smith:

The great and lasting good certain to come out of fostering thrift and economy among the people, particularly among those who do not now enjoy savings bank facilities, presents the strongest argument for the establishment of postal savings banks.

In the year 1906 there were 1,319 savings banks in the United States and the population at that time was 83,941,510. In other words, there was only one savings bank to every 63,640 people. Moreover, one-third of the savings banks of the country are in the New England States. The great states of New York, Pennsylvania, Iowa, and our own state of Illinois are perhaps well equipped, but the Southern states and the states west of the Rockies are almost without any savings bank facilities.

That there is great need for savings banks in these states is clearly shown by the amount of postal money orders purchased by the people payable to their own order. The Auditor of the Post Office reports that such money orders, aggregating more than $100.000, became invalid during the last fiscal year in the five Western states of Colorado. Kansas, Nebraska, Oregon and Washington. It is only reasonable to assume that an enormous amount was purchased for the same purposes throughout the country.

Therefore, we submit that postal savings banks should be established, first of all, in order to meet the needs of the great mass of American people who are not now blessed with proper savings bank facilfties.

The security offered by the existing institutions is inadequate. We find that there is a larger proportion of failures among savings banks than among banks of any other class, that the laws governing savings banks in many of the states are loose and unsatisfactory, and that, consequently, the savings banks of the country do not command the confidence of the people of the country. Certainly they do not command the confidence of the foreign element of our population, which is fast growing in numbers and in importance. Being suspicious of our private institutions, but placing implicit confidence in the government, they are, in many cases, buying postal money orders, payable to the buyer, good for one year. Others either hoard, or send their savings home to be deposited in the postal savings banks of their native lands. Thus, to the detriment of capital and labor alike, the savings of a vast number of our people are hoarded and kept out of circulation or sent abroad to swell the wealth of other countries.

BENJAMIN B. BELLOWS.

Chicago Savings Bank and Trust Co.,—Chicago Representative of the Bankers Magazine.

No Disturbance to Present Conditions.

Duncan G. Bellows:

We of the affirmative are certain that a system of postal savings banks can be instituted in this country which will fill the much felt want without disturbing existing conditions, or detracting from the great American principle of personal initiative and private enterprise. We are not here to support the systems in use in other countries, because conditions are different here, and the problem demands a different solution.

We wish especially to call the attention of the jury to the fact that we are not here to advocate the plans proposed by any Postmasters-general, because none of those plans is involved in this question to-night.

We have divided our plan into fifteen sections:

1. The Government to guarantee payment of all deposits.
2. The Government to provide for the deposit of funds at any post-office or with any mail carriers on both city and rural routes.
3. The officials and clerks of the Government to be forbidden from furnishing information to the public regarding depositors or their transactions with the savings banks. The only exception to this rule to be in the case of information required by a recognized legal authority.
4. Any individual either alien or citizen of any age may open an account.
5. Deposits may be made in the name of any church, society, institute, association, or corporate person, or officer thereof.
6. No maximum limit to the amount of a deposit or the size of an account.
7. The Government to pay no interest whatsoever on accounts.
8. Deposits to be subject to taxation.
9. Deposits to be subject to legal process of law.
10. The Government to re-deposit funds in the nearest discount bank to the place of collection, showing equal consideration to National, State, and private banks.
11. Discount banks to pay the Government interest upon such funds; the rate of which, to be determined from time to time by the Government, shall not be greater than enough to cover all costs of the department including the absolute guarantee of postal deposits.
12. In case there is more than one discount bank in any post-office district, the funds to be deposited and maintained in all the banks in proportion to the regular deposits of the several discount banks.
13. The Government funds re-deposited in discount banks to be in the same status as private accounts.
14. The Government to have unlimited right of inspection of banks receiving such funds.
15. Discount banks not to be required to deposit securities to cover such funds, except in case the Postmaster General, upon thorough inspection, may find a bank in such condition as to make it expedient.

Not Class Legislation.

Benjamin B. Bellows:

The opposition cries "class legislation." A system of Postal savings would be no more class legislation than the National Bank Act. Did they never stop to think that the National Government has done everything in its power to protect the rich merchants by the National Bank Acts, but that it has done nothing to protect the hard earned savings of the wage earner?

They claim the Government ought not to enter into competition with the private banks. We believe the same and have therefore, made our clause to read that the Government shall pay no interest whatsoever upon deposits. And for this same reason the postal savings will not materially detract from the deposits of the present banks.

We are also agreed in the condemnation of the great "noise" they make of socialism. But do they think it is socialistic to breed a nation of small capitalists? Is it socialistic to give the people lessons in saving—the very first and most necessary step to independence and riches?

They also make a great war-cry—"Individualism," do not destroy individualism! Postal saving would teach the people to have pride in what they already have and instill in them the ambition to get more, that very ambition which brings out and develops individualism.

Our system, by virtue of its paying no interest, would, at first sight, seem narrow; but it will appeal to millions. It will attract the man who for various reasons hoards his money, to the detriment of himself and his fellows. It will appeal to the foreigner who has been brought up to look to the government for everything, and who through ignorance will not trust the private banks. It will certainly favor the millions of farmers who now have no means of saving at all. It will be favorable to thousands right here in this great city, those thousands who have good intentions, but who, on their way to the bank, are met with that familiar appeal—"Come in and have a drink."

THE CHICAGO TEAM.

Photo. by WALINGER, Chicago.

BENJ. B. BELLOWS	MARTIN F. SMITH	DUNCAN G. BELLOWS
Chicago Sav. Bk. & T. Co.	Colonial T. & Sav. Bk.	Zion City Bank.

We have postal savings in the Philippines, and although it is run at an annual loss, it is pronounced by all to be very successful in its accomplishments. Why should the Government do more for the Philippines than it does for our Negro citizens of the South, who would be good citizens if they became thrifty?

NEGATIVE.

People Do Not Need Government Assistance.

Lee H. Macy:

No one will deny that economy and thrift are benencial to a nation, but it is yet to be shown that the people of the United States can acquire and cultivate these habits better by governmental savings banks than by our present institutions for savings.

We maintain that our present institutions are fostering economy and thrift among our people as well as the Postal Savings Banks of Canada, England, Austria, Italy, France, the Netherlands and other countries.

to the fact that those classes of people that can be mostly benefited by savings banks are located there. The density of the population in the eastern section of our country, and especially in the larger cities, stimulates the savings habit among the people. Where savings banks are needed they are organized, the law of supply and demand applies also to the creation of savings institutions.

The need for them in the middle and southern, and especially in the western states is not so pronounced as in the eastern states. Settlement must precede the accumulation of wealth. The savings of the early settlers are first applied on the debts incurred in acquiring their possessions. As the population increases and expands, the savings institutions will arise to take care of surplus moneys.

Confidence in Banks.

Robert C. Smith:

If our citizens in general were thoughtless in regard to their future and were not considerate as to their welfare it would, per-

THE INDIANAPOLIS TEAM.

LEE H. MACY	ROBT. C. SMITH	A. C. WOOD
American National.	Fletcher National.	Indianapolis National.

According to the last report of the Comptroller of the Currency the total amount of deposits in the savings banks of this country is \$3,690,078,945, or an average deposit of \$42.87 per inhabitant; Germany is second with total deposits in the sum of \$2,831,333,000, or \$46.66 average per inhabitant, and Germany has no postal savings banks. The highest average of deposit is found in Denmark, \$82.26 per inhabitant, and Denmark has no postal savings banks; Switzerland has the second higest average, \$62.20 per inhabitant, and Switzerland has no postal savings banks.

These statistics show that postal savings banks are not absolutely essential to encourage economy and thrift among people.

It is true that our savings banks are most frequent in the East, thirty-eight per cent. of the total amount is deposited in the state of New York, thirty-three per cent. in the New England states, and the balance in all the remaining states, but this is solely due

haps, be wise for the Government to provide a system for savings such as would be afforded by postal banks.

But this is not the true state of conditions to-day. It is a fact that the confidence that has been placed in banks, in states where sound legislation is afforded, has been most satisfactory.

People have interest in banks beside the per cent income. This is very true, but, money saved has a bearing upon the wealth and development of the communities not to be had through the agency of the Government.

The saving class is complement to the borrowing class. Funds drawn from the people, as contemplated, through postal banks can never balance the needs of the section from which they were taken.

The fact that a higher rate of interest prevails in some parts of the country is evidence that money is in demand. Local conditions are such as to make it imperative

that the development of resources and trade be not hampered by the actual weakening of the capital surrounding.

We ask you to have consideration for small trades-people. They are dependent upon local banks that now have the confidence of the saving class of people.

We claim that the Government should not engage in any field of operation that can be successfully conducted by the people. In the present savings banks of the United States the deposits amount to $3,690,000,000, which is one-third of the total deposits in all countries.

It is not alone the saving power of our country that is sought. That funds are saved and properly utilized should be the result of our efforts.

Make and enforce laws that are a protection to all citizens of this country. The coddling of foreigners or any class of people is not consistent with the intent of our government. Proper legislation in conjunction with honest men as officials will safeguard the people under all conditions and we must have both.

Power to protect depositors in banks is vested in the states. Success in this direction has been attained in the eastern part of the country. Success in general would be assured if the states made it their duty to provide the legislation so necessary.

Would Not Prevent Panics.

Alfred C. Wood:

Postal savings banks, in times of prosperity, as far as safety is concerned, would be ideal, but they do not go far enough and their establishment would be class legislation. They would apply only to the small

A. C. WOOD,
Secretary Indianapolis Chapter.

depositor and to small amounts and would be carried on at the expense of the business man and community improver, the very man to whom this country owes the most. It is this man who builds our schools and churches, who operates our railroads and factories and in fact, is responsible for every material advancement in the land and we insist that he is entitled to the same protection as is given the small depositor of the postal savings banks, yet our opponents argue that he be taxed to support a banking system that is not only useless but absolutely detrimental to the general welfare of our country.

Postal savings banks could not perform the most necessary functions of a bank and our opponents cannot devise a plan whereby anything but a certain degree of safety to the depositor can be used as an inducement for their establishment.

Postal savings banks would not prevent panics nor would they have the slightest influence toward allaying the fears of the ignorant in times of stress, and in times of severe panics or war we insist that they could not command as great an amount of public confidence as does our present system of private enterprise. If Government credit was worth but thirty-five cents on the dollar during the Civil War what right have we to say that this state of affairs may never re-occur?

Postal savings banks could not have a good influence during the recent hurry for it was not the small depositor that caused the trouble but the chaps who carted their money away by the wagon load. The little fellow who has a deposit of a few dollars does not cut much of a figure when we are dealing with millions.

The establishment of postal savings banks would place a burden upon our present overworked and sometimes mismanaged postal system and this in itself would out-weigh any argument that may be put forth in favor of their establishment. The handling of our mails is important and by making the post-offices banking institutions the efficiency of the postal service would be disturbed. In our country of "hustle" it is highly essential that our mail receives every impetus that is possible and we insist that we should not place the slightest hindrance upon our postal department.

We claim that what we need is stricter laws governing our present savings institutions and not a complete change of our banking and monetary system and that the establishment of postal savings banks would be a step backward in our banking lines and that the fact that other countries have postal savings banks is no argument for their adoption in this country.

The United States is a country entirely different from any other. Our strength lies in our individuality and we have always prided ourselves upon being able to do things upon our own authority and to run to the Government with this protection to the small depositor is uncalled for and entirely un-American.

OPTIMISTIC HOOSIERS.

"DEPENDABLE people! their price is above rubies." Of such is Indianapolis Chapter composed.

Our chapter is small, but we are enjoying a healthy growth, and expect in the near future to occupy a position near the head of the list of chapters that are important factors in the banking world.

Indiana produces the best books, finest horses, the tallest Vice-President, the greatest politicians; has the finest and most extensive system of electric railways, and is the center of population of United States;

so, can anyone concoct any reason why we should not have the greatest chapter in the American Institute of Banking?

Our boys are just beginning to comprehend the advantages and pleasures connected with the Institute.

We entertained the Indiana Bankers Association during its last convention by a debate and it was such a pronounced success that we have already made arrangements for another debate at the next convention to be held in Indianapolis some time next fall.

CLIFFORD J. SHEPHERD,
President Indianapolis Chapter.

Our boys are working and becoming enthused with it, and as enthusiasm wins, we are sure to go forward.

We have a glee club started; are going to start an orchestra; and debaters—by next year we will have enough good debaters to talk a bill through Congress.

Our past Presidents—we have none as they continue to work for the success of the Chapter the same as when they were at the head.

C. J. Shepherd, Pres.
Alfred C. Wood, Sec.
Robert C. Smith, Vice-Pres.
Harry H. Wintrode, Treas.

March 2, 1908.

SUGGESTIONS WANTED.

THE editor wants suggestions from members of the A. I. B. as to subjects they would like to have handled in this department of The Bankers Magazine.

PROGRESS AT OSHKOSH.

THUS far the season of 1907-08 has been a very successful one, in fact the most successful in our history, and we are quite proud of our work. We take great pleasure in announcing the promotion of two of our star members during the early days of 1908:

J. Fitch, to Assistant Cashier of Old National Bank.

E. A. Severson, to Assistant Cashier National Union Bank.

Both men have been hard workers in the cause of the Oshkosh Chapter and Mr. Severson is our Past President.

Every year we reach into new fields for the program of our work and we believe in the good effects of having something new at each meeting. This year it has been our very great pleasure to listen to a series of lectures by John Harrington, a prominent lawyer of this city, on "Deeds, Mortgages, Abstracts, etc." The subject was a new and interesting one and our members derived a very great amount of benefit from the course.

At the first meeting in December was held our annual debate, the question being the insurance of bank deposits by the National Government. The affirmative was upheld by George Weidner of the New German American Bank and E. H. Foulk of the German National Bank while the negative speakers were John Hollub of the Commercial National Bank and Julius Voss of the Old National Bank. The judges in announcing the decision gave great praise to all of the speakers and declared in favor of the negative side of the question.

M. N. McIver, Superintendent of the city schools, spoke to us on "Education" at our second January meeting. Mr. McIver complimented the A. I. B. for the great work it is doing for the young men of the country.

Our latest meeting was held on the evening of February 17 at the Tremont Hotel. After a very nice "spread" at seven o'clock, the president, E. R. Dickman, opened the meeting with a few appropriate words and a welcome to our visitors from Fond du Lac and Appleton Chapters and other bank men from the Fox River Valley. We had the pleasure during the evening of listening to our old friend, National Secretary Geo. E. Allen of New York. We are always glad to see Mr. Allen among us as he always stimulates our chapter work to a great extent. Mr. Allen shows up at the opportune time when the interest of the boys is dropping off somewhat and he acts in the spirit of a revivalist. We listened with pleasure to Mr. Allen's remarks on

the various phases of chapter work and derived a great amount of good therefrom.

We also had with us on this evening R. L. Stone, Vice-President of the Associated Chapters, and Alexander Wall, chairman of the Educational Committee. Mr. Stone discussed the "Scrip" situation of the last "Bankers' Panic" while Mr. Wall spoke on the educational work of the chapter and also entertained us with some very good dialect stories, a stock of which he always has on hand.

On such an evening as this it is with regret that we leave our assembly hall. But good things cannot always be with us and so we must with regret bid them goodby, that they may come again.

We are always very thankful to have outside men with us to give us an idea as to what our brothers are doing along the line of chapter work. We are now looking forward to our contest night and election of officers which occur at the two meetings in April.

And last, but by far not least, our fourth annual dancing party, which will be held immediately after Easter and when the committee in charge means to work the best ever.

A write-up of this chapter would be incomplete without mention of our latest subsidiary organization, Oshkosh Chapter Glee Club. We now have the rehearsals well under way and hope in the near future to gain very great results in the matter of attendance at regular meetings. The officers of the Glee Club are Tom Spaulding, president, John Voss, vice-president. Rehearsals are in charge of H. H. Powers, the leading tenor of the city. The Glee Club expects to make its debut at the debate between Appleton and Oshkosh Chapters and with the abundant material which we have we expect to make the hit of the season.

Tom Spaulding, Sec'y.

March 2, 1908.

CORRESPONDENCE INSTRUCTION

An Alliance Between the Institute and the I. C. S.

By the alliance between the American Institute of Banking and the International Correspondence Schools of Scranton, Pa., consummated last July, our Institute to-day is enabled to offer the most comprehensive and up-to-date correspondence instruction in American Banking and Banking Law.

As a first tangible endorsement of the alliance, the membership of Correspondence Chapter continues to increase by at least a score each week. The Institute membership will, however, find many other ways to confirm the action of the committees who have acted for our Board of Trustees in these negotiations.

The alliance of the Institute and the Scranton Schools is officially with the Correspondence Chapter. The advantages gained by the arrangements are open to every bank man in the United States either by becoming a member of Correspondence Chapter, or one of the forty-four chapters in the cities.

An associate membership in Correspondence Chapter is given to all members of city chapters upon their request, without charge. Members or associate members of Correspondence Chapter are allowed thirty per cent. discount for the Banking and Banking Law course at the International Schools. The alliance between Chicago Chapter and Northwestern University is an example of what is being done in the city chapters. Correspondence Chapter of the institute is like all other chapters so far as circumstances will permit, therefore the relations between the Correspondence Chapter and the Scranton Schools is similar to alliances between city chapters and local educational institutions.

The results of organized chapter efforts have been strikingly apparent since the organization of the Institute. Nevertheless all chapters still have on their rolls a somewhat discouragingly large percentage of members who do not yet appreciate the advantages of their organization.

The Banking and Banking Law Course of the International Schools in co-operation with the Institute will appeal strongly to members who want educational work beyond what the chapter affords.

The course offers a complete professional education. An idea of its scope and character may be inferred from the fact that the part pertaining to government supervision was written in the office of the Comptroller of the Currency. The part on National and State banks by Assistant Cashier Twitchell, of the Chemical National, New York city. The subdivision on money and currency was written by Joseph French Johnson, of New York University, also secretary of the Currency committee of the New York Chamber of Commerce.

The work of these distinguished gentlemen was revised by the text-book experts of the Scranton Schools to adapt it to the requirements of correspondence instruction. Bankers who have examined this course do not hesitate to commend it as thorough and teachable in every particular. The legal features are taken from the regular law course with such revisions as have been found necessary to meet the requirements of

bankers. Questions asked by students pertaining to law are answered by Solomon Foster, a prominent member of the Pennsylvania Bar. Questions pertaining to bank bookkeeping and routine methods are answered by T. F. McHale, assistant principal of the School of Banking, and a commercial teacher of ability and experience.

Questions of general character are referred to Mr. Allen, secretary of the American Institute of Banking, who is also principal of the School of Banking and Banking Law, and whose knowledge of the theory and practice of banking is such that he can afford to confess his ignorance of many particulars. "I do not pretend to know enough to answer all the questions asked," he says, "but there is generally some banker or economist in New York willing to help me out, and no question, whether it pertains strictly to the study courses or not, will fail to receive a more or less intelligent reply."—*C. F. Spearin in "The Bank Man."*

A. WALLER MORTON,
Baltimore, Md., President Associated Chapters.

CHAPTER NEWS.

Chicago's Banquet.

THE seventh annual banquet of the Chicago Chapter was held at The Auditorium on the evening of February 21 and was very successful. The intellectual part of the feast, presided over by Toastmaster F. W. Ellsworth, was as follows:

Lucius Teter, president Chicago Savings Bank & Trust Co., "Since '92;"

Rev. Wm. E. Barton, D.D., pastor First Congregational Church, Oak Park, Ill., "The Minister and the Banker;"

S. E. Kiser, Chicago Record-Herald, "Alternating Currents;"

Geo. E. Allen, secretary American Institute of Banking, "Institute Politics."

Chairman Zimmerman, of the educational committee, has outlined the rules governing the prize contest of papers by members of the Chapter on the subject of currency reform, as construed on the lines of bills now pending before Congress, and authorities on banking.

Prizes will be awarded as follows: First prize, $25; second prize $15; third prize, $10. The papers are all to be in by March 15.

March and April promise to be very busy months in this chapter. The administration is pushing various enterprises that will undoubtedly increase activity in the Chapter work.

There has been a great call for more social entertainment. As a result a Chapter dance was held February 8 which was very successful.

Monday evening, February 3, was "Chapter Night" at the International Theater. The opera "The Bohemian Girl" was presented and very well accepted by several hundred clerks.

It has been decided, in hopes of interesting more clerks in Chapter work, to allow non-members to enter the indoor track meet to be held in Bartlett gymnasium of Chicago University.

March 2, 1908. BENJ. B. BELLOWS.

Fond du Lac Chapter.

In regard to the Fond du Lac Chapter of bank clerks, I will say that as a social organization it has been a great success. It has brought the clerks of this city and Oshkosh closer together.

Secretary Allen expects to be in Oshkosh February 17 and the Oshkosh chapter has invited the Fond du Lac clerks to spend the evening with it.

There is an interurban line between Fond du Lac and Oshkosh and there is a car each way every hour, so that makes it very convenient.

Most of the clerks from here expect to go, as we have always been 'reated well and have always enjoyed ourselves when we attended their meetings.

E. L. RICHARDSON, Sec'y.

February 15, 1908.

Cedar Rapids, Iowa.

Secretary Chas. Kubias of this chapter writes that the organization has not been very active but expects to be before long. The officers of the chapter are: M. M. Ogden, president, Cedar Rapids National Bank; George Miller, vice-president, Merchants National Bank; Chas. Kubias, secretary,

Peoples Savings Bank; Mark J. Myers, treasurer, Citizens National Bank.

Oakland Chapter.

We have just commenced to take up Chapter work again, and developments of the past week are most encouraging to all the members and officers of the local organization.

The Chapter is now making arrangements for a big social event in the shape of a dance to be given on March 3, with the profits of which we shall fit up and furnish the rooms in the Clearing-House Building which have been most kindly placed at our disposal without cost by the Oakland Clearing-House Association. While we expected at first in this manner to be able to raise not over $500, we find that it is not unlikely that we shall have a net profit out of the venture of something like $800 and even more. This will allow us to place ourselves on a footing as to quarters with some of the largest Chapters in the United States, despite the size of our territory.

KENNETH A. MILLICAN, Sec'y.

February 21, 1908.

H. J. GUCKENBERGER,
Cincinnati, O., Member National Executive Committee.

GOVERNMENT DEPOSITS IN THE BANKS.

APPARENTLY there is more glory than profit to a national bank in being "a designated depositary of the United States." Just how the matter works out in practice is thus explained by Myron Campbell, cashier of the South Bend (Ind.) National Bank.

"Under the present system of deposit these funds must go directly from the Treasury to New York banks for distribution as New York banks may direct. This is inevitable. The detail of the special Government deposit is this:

"The Secretary of the Treasury notifies the proposed depositary bank that, say $50,000 will be deposited in such bank when $50,000 in United States bonds has been deposited with the Treasurer of the United States as security for such deposit. The bank, as a matter of course, does not have such bonds on hand and must instruct its New York correspondent to buy for it $50,000 United States bonds at current market price (which current market price always advances sharply to meet such emergency) and deposit the bonds thus bought with the Treasurer of the United States as security for United States deposits. The order to buy bonds will be accompanied by an order from the bank, requesting the Treasurer of the United States to charge its account $50,000 and deposits $50,000 for its credit with such New York correspondent. The deposit so made takes care of the par value of the bonds, and the transaction is finished, except that the depositary bank must make up from local funds a deficit of some $2,500 or $2,800 to cover premium on bonds. The interior bank never sees any Treasury money by reason of United States deposit, and cannot under the present system; on the contrary, it surrenders local money to the amount of premiums paid. When the deposit is called in the bonds are resold at market price (which price always declines sharply to meet this second emergency) and deposit is made with the Treasurer of the United States from funds so received. In fact, with the small depositary the Government deposit is a speculation in Government bonds, pure and simple, the hope being that the interest received on such bonds before the deposit is disturbed, added to the dignity and honor of being designated a United States depositary, will more than offset the certain difference between the buying and selling price of bonds, added to the loss of interest on home, or local, funds invested in premiums."

LETTERS TO THE EDITOR

A MODIFIED CENTRAL BANK.

Editor Bankers Magazine:

SIR: I have just read your February number with much interest, and thoroughly agree with you in the propositions you lay down. A central bank of the character of which you speak, would, in my judgment, be followed by the very results you anticipate.

I have been studying the various currency bills introduced in Congress, and have prepared crudely a bill which seems to me would put our currency upon a sound and permanent basis. I enclose you a copy of this for your criticism. You will note that the foundation of the system is a central bank, but not a central bank of deposit, or a central bank with any discretion except within well-defined limitations. The purpose of the central bank is to issue and guarantee currency, and to hold the reserve against the currency issued. We now permit national banks to take indefinite amounts of deposits, and merely require them to keep a reserve in lawful money equal to from fifteen to twenty-five per cent. of the total. State banks and trust companies are doing business with much less reserve than this. Inasmuch as a deposit is nothing more or less than a promise of the bank to pay the depositor's check on demand, there is no substantial difference between that obligation and that of the bank to pay its own cashier's check (that is to say, its own bank note), upon demand. But the depositor is a voluntary obligee of the bank, while the holder of the note is an involuntary obligee, who, moreover, is not in a position to judge of the solvency of the maker of the note. While, therefore, it may be true that the same reserve which is found necessary and safe for "bank credits" or "deposits" would also be safe for bank notes or "currency," it would manifestly be unwise and improper to permit national banks to issue notes upon the same terms as they take deposits. We know that depositors sometimes lose, and hence such a currency would certainly not have the stability which is absolutely necessary.*

Now the purpose of this central organization is, first, to hold the gold reserve for the currency issued, and, second, to put behind the currency a guarantee of between two hundred and three hundred million dollars, which would be the capital of the bank. The district agencies are organized and controlled by the banks in the districts, and are only subject to the general rules and regulations prescribed by the central organization. The Government at all times maintains control of the bank, but there is no favoritism possible. The sole purpose is to keep on hand at the district agencies sufficient currency ready for issue to meet the demands of ordinary stringency, or the demands of a panic.

The present business of the banks is not interfered with in the slightest, and I have endeavored to work out the gradual retirement of bond-secured currency, so as not to affect the price of United States bonds now held by the banks. Of course, any legislation changing the system of currency would have to provide for this, or there will be such a drop in the price of the bonds as to seriously cramp the assets of any bank, and probably cause another panic.

The present aggregate of national bank capital is about nine hundred million dollars, and it will probably exceed one billion dollars immediately upon such a change. Fifty per cent. of this amount would be $500,000, and the subscription of the national banks to the capital stock of the central bank of issue would be one hundred million dollars more. This six hundred million dollars would be just about the amount of bond-secured currency now outstanding.

I have added a provision for guaranteeing deposits. I do not think this should be undertaken by the Government, but I do think it would be an excellent thing for it to be done by such an institution as a trustee. It seems to me one-tenth per cent. on the deposits would be ample.

---

* Safety could be assured, however, by setting aside a safety fund, using for that purpose a small part of the present tax on circulation.—*Editor Bankers Magazine.*

I shall not attempt to go into any further explanation, but if the general plan is of any particular interest, I would be very glad to explain how its details could be worked out.

The various district agencies would form clearing-houses for currency, very simple in their operations. Where the gold reserve falls below twenty-five per cent., there is a penalty of eight per cent. until it falls to fifteen per cent., when the penalty is very severe. A credit of two per cent. on all reserves over twenty-five per cent. is allowed, so as to encourage excess reserves.

R. G. RHETT,
President Peoples National Bank.
CHARLESTON, *S. C.*

"WHAT FOOLS THESE MORTALS BE."

THAT comic papers are sometimes funny when they try to be serious is all too painfully shown by this, from "Puck:"

"In reply to a great many questions as to what is meant by a credit currency, it may be said that it is a proposal to give the bankers the right to issue currency, first, on the basis of the amount of real money in hand. When that runs out, to issue currency on the basis of all other assets, good, bad and indifferent. When that runs out, to issue currency on the basis of everything they owe, whether they ever expect to pay it or not. When that runs out, to issue currency on the basis of their cheek. When that runs out, to issue it on their face. When that runs out, to issue it on their nerve, and so on *ad infinitum.*

"The only limit is what the traffic will bear and the experience of the past has shown that the traffic is very forbearing."

To all of these profound arguments we can only reply by advising the jester to stick to his cap and bells.

A WORD FOR THE SMALL BANK.

THIS defense of the small bank comes from the "Wall Street Journal:"

"The failure of a few small banks in some of the financial centers has led some people to the conclusion that the day of the small bank in the midst of large institutions is past. But this is too slight a basis of fact on which to build so large a generalization. The small bank is, as a rule, a local institution. It has its problems, for the working out of which no satisfactory substitute has as yet been found. This is true of city as well as of town and village banking.

"Large central banks might be established with branches to meet varying local needs, if the National Bank Law were amended to permit this. But one difficulty with the branch bank operated by central institutions would be the tendency of the branch bank to become too much of an in-taking and too little of an out-giving agency. This makes the branch primarily a deposit collecting institution. Valuable as that service may be, no bank whose policy it is to stimulate deposits and discourage loans of a local character is doing the normal service which that locality requires before it can be said to have adequate banking facilities.

"The small bank which limits itself to its own field and keeps itself strong by encouraging confidence and accommodating industry and trade, is rendering a most substantial service. In our large cities, as residence localities come to be separated from commercial, financial and industrial districts, another field is added to which the small bank might advisably give attention with advantage to itself and to its customers. As this process of differentiation in financial needs goes on, local adaptation as a part of banking policy should become more and more prominent. The local problem still requires an independent institution whose officers and employees are at home in the community they serve and who are identified with its business life and problems."

MARGIN AND ADDITIONAL CIRCULATION UNDER THE ALDRICH BILL.

AS an aid to the discussion of the Aldrich bill it is important to know what is the margin of additional bank note circulation in different parts of the country. This margin for additional circulation as divided among the principal groups of states is shown in the following table:

		P. C. of Whole
New England..	$99,701,280	11.77
Eastern	397,739,385	46.84
Southern	96,374,375	11.34
Middle West ..	179,030,561	21.09
Western	41,377,205	4.88
Pacific	34,804,525	4.08
Total U. S....	$849,027,331	100.00

It appears from this that the greatest capacity for new circulation is in the Eastern States, of which New York is the most important. Of the total margin for additional circulation amounting to $849,000,000, nearly forty-seven per cent. is in these states, over eighteen per cent. being in the city of New York.—*Wall Street Journal.*

NATIONAL BANK OF CUBA.

Seventh Annual Report Presented by the President on Behalf of the Board of Directors at the Annual Meeting of Shareholders, February 19, 1908.

AT the annual meeting of the shareholders of the National Bank of Cuba, held at the head office in Havana, February 19, President Edmund G. Vaughan presented the following report:

To the Shareholders of the National Bank of Cuba:

GENTLEMEN: On behalf of the board of directors the president submits herewith the balance sheet showing the condition of business at the close of the day December 31, 1907, with the following report:

Cuba has passed through another unfavorable year which has been augmented by the financial disturbances abroad but has given her many times repeated demonstration of the stability of her commerce and the wealth of her natural resources. The statement of the National Bank of Cuba herewith submitted shows, notwithstanding, the continued progress of the bank and what may be expected in normal times. Cuba recovered rapidly from the effects of the Revolution of 1906 and under the American Provisional Administration confidence not only in the present but in the future was speedily restored.

There has been sent to shareholders for their information the first expression of Provisional Governor Honorable Charles E. Magoon, in regard to the conditions and prospects in Cuba, in his address to the Chamber of Commerce, and also his full and comprehensive report to the Secretary of War of the United States covering the present intervention, and which report has been referred to the Congress of the United States. Not only has the United States recognized her obligations under the Treaty of Paris but the Cuban people are determined to have a good and stable government under any circumstances even if it must be obtained by the intervention of the United States, as evidenced by the facts set forth in the report referred to.

The sugar crop harvested in 1907 was unsatisfactory, not on account of the shortage, but on account of the low yield of the cane and the high price of labor because of its scarcity and the increase in value of the Spanish silver with which labor is paid.

The tobacco crop was short and while it was sold at good prices by the planters it was left in the hands of the manufacturers and exporters because of inferior quality and the long-drawn-out strikes followed by the financial conditions abroad, which reduced both the consumption and the ability of the foreign buyer to pay for it. This resulted in large stocks on hand and lower prices.

The strikes of the tobacco workers, the railway employees, the stevedores and finally the masons and builders, continued practically throughout the entire year. All these strikes, however, have been settled and much experience gained on both sides which should tend to prevent them in the future.

Cuba was affected by the financial disturbances abroad inasmuch as she used large foreign credits for moving her crops which credits were not disturbed by the loss of any credit on the part of Cuba but by the inability of the foreign money market to respond, and even where the credits were not suspended the local bankers and money-lenders were not disposed to make use of credits in such times. The result was that many of the industrial companies and larger merchants who were formerly financed abroad at low rates of interest were forced to curtail their demands and to apply for Cuban money at higher rates. In addition to this the merchants in Cuba were pressed to pay their foreign obligations and a considerable liquidation resulted, which in the end will be advantageous.

Notwithstanding all this there was never any approach to a panic such as existed abroad and the National Bank of Cuba at all times was able to maintain a conservative cash reserve and at the same time provide against hardships to its customers and accommodate them as far as their accounts justified. There were no failures of any importance in Cuba. Credits were only extended by the bankers to the merchants and by the latter to the planters with the greatest caution and only for the recognized and legitimate necessities. The effect will be salutary, for in this way the country has had a lesson in frugality and economical administration of its business. The cost of production has been reduced to a point which will show hereafter on a competitive basis and with increased profits under any circumstances.

THE CROPS.

The production of sugar for this year is variously estimated at from 1,000,000 to 1,200,000 tons, which will be less than last

year, but not only will it be more economically made but the yield from the cane will be greater and the prices better, which should result in good aggregate proceeds and a greater proportion of profits.

The tobacco crop will be short, but the effect will be better prices not only for the new crop but for the tobacco on hand hereinbefore mentioned.

The cultivation of fruits and vegetables for export is rapidly increasing and the production of iron and copper ores is being extensively developed. Transportation facilities are becoming more satisfactory each year and it is expected that some action will be taken to stimulate the immigration of laborers for the country. Foreign capital is constantly coming to Cuba for investment and Cuban securities are in demand in Europe and in the United States.

Banking Development.

It has only been in the last seven years that domestic banking has been developed to any extent such as is known abroad but to-day the National Bank of Cuba has in its organization all the departments and all the facilities of the most modern banks of the world. It has been undertaken by the study and recognition of local conditions and prejudices to introduce not arbitrarily but slowly and surely, features of the banks of the world best suited and in the forms best adapted to the needs of this country and adhering to the world-wide recognized principles of conservative banking. Among the most important things introduced is the examination of the bank by independent accountants of international reputation. These accountants are the same employed by the United States Government and the same who made the final audit for the United States when Cuba was turned over to the Cuban Republic in 1902 and at the present time audit the banks of Porto Rico, now United States territory. There is no law compelling bank examinations and this bank does it voluntarily and in the interest of its shareholders and the public. It is conducted on the same lines as the examination of banks in the United States; thoroughly, at the pleasure of the examiners and without notice to the officers of the bank. The statement is published and forwarded to shareholders immediately upon the completion of such examinations.

The success of the organization and methods indicated may be observed in the comparison of the balance sheets of each year with the present one, issued at the end of this year when general conditions have been so unfavorable.

The deposits have increased as follows:

Dec. 31.	
1901	$4,179,995.04
1902	5,026,885.82
1903	6,110,866.43
1904	9,455,585.21
1905	11,264,329.78
1906	13,710,893.92
1907	15,005,906.45

The deposits represent 13,980 separate accounts throughout Cuba, which is an increase over last year of 3,019 accounts or more than twenty-seven per cent.; and the aggregate amount of deposits has increased nine per cent. This indicates the condition of the country and that the number of the bank's operations and its general business have increased in high percentage as compared to the amounts; for instance, the activity can be realized by the fact that in the head office alone in the month of December the cash operations averaged over $2,100,000 per day for the month and before the crop had begun to move. In the exchange department the turn-over for the year was over $142,000,000 but the number of operations of last year was almost double the previous year and their scope widely extended. The same conditions are shown in the collection department.

The amount in the savings department, which pays three per cent. interest per annum, is $1,200,000. This department at the head office and Havana branches has just been opened from 6 to 8 p. m. on Saturdays in addition to the regular banking hours.

The amount of the loans remains practically the same as on December 31, 1906, but increased in number 334 and is distributed into 1,637 loans averaging $6,420 each.

During the year there have been paid out of the profits eight per cent. in dividends and the surplus has been increased to $700,000 after making provision for all bad and doubtful accounts.

New Bank Building.

The bank was not opened for business in its new building until September 2, 1907, full account of which was sent to each shareholder together with a description of the building and an outline of the different departments of the bank's organization.

This building would do credit to any country, not only in the classic style of its architecture but in the arrangement for economical and convenient administration of its business for the public and staff. One of the features which has attracted much favorable comment is the severity of its style and the absence of expensive and

useless ornamentation. The bank occupies the basement, first floor and part of the second floor for its own use, and the remaining part of the building is adapted for the use of tenants. The delay in completing the building made it impossible for many good prospective tenants who had applied for offices to wait, but notwithstanding, there are rented thirty-six out of sixty-three offices available and there is every assurance that in due time it will be filled by desirable tenants. Without taking into consideration the best part of the building used for bank purposes and on the basis of the present income from offices already rented it pays net about two and one-half per cent. on the investment and with all offices rented it will pay about five and eight-tenths per cent.; charging for the bank space at the same rate as that of the tenants it will yield about nine per cent.

Property has been purchased in most favorable locations in Santiago, Cienfuegos and Matanzas for branch buildings and appears in the statement as real estate. Plans for one-story bank buildings of classic style conforming as nearly as possible to the head office have been approved for Santiago and Cienfuegos and work will begin at once. The property at Matanzas is subject to a lease which has not yet expired.

A new branch will be opened at once at Camajuani, a wealthy and prosperous town in the Province of Santa Clara and one much in need of banking facilities.

A stock transfer agency has also been maintained in New York city but a general agency for all banking business has now been established there at No. 1 Wall street, corner Broadway, in charge of a representative sent from Havana to meet the needs of the people in Cuba doing business with New York and for foreigners who have business with Cuba.

The bank continues to be a depositary for the Cuban Government and for the United States. The bank shares are held in twelve of the principal countries of the world and in twenty-nine states of the United States of America. The officers and directors desire to express to the shareholders their appreciation for the assistance and co-operation on their part which has shown such good results in extending its business to every part of the world.

An appeal is repeated to those who have not had occasion to show such interest with the hope that they will realize its importance and let their influence be felt in behalf of the bank.

The accompanying balance-sheet shows the condition of the bank at the close of the year:

General Balance Sheet, National Bank of Cuba, December 31, 1907.

Assets.	
Cash in Vaults	$4,477,707.21
Due from Banks and Bankers	1,018,186.60
Bonds and Stocks:	
Government Bonds	3,758,865.46
City of Havana Bonds	1,085,155.24
Other Bonds and Stocks	466,603.33
Loans, Discounts, Time Bills, etc.	10,512,727.78
Furniture and Fixtures	84,571.62
Bank Building and Real Estate	610,443.72
Sundry Accounts	16,766.86
Total	$22,031,027.82
Liabilities.	
Capital	$5,000,000.00
Surplus	700,000.00
*Undivided Profits	292,354.87
Due to Banks and Bankers	1,032,766.50
Deposits	15,005,906.45
Total	$22,031,027.82

* Deduct $200,000 four per cent. semi-annual dividend payable January 1, 1908.

WOULD NOT LEND ANYTHING.

"I'LL bet you didn't succeed in borrowing anything from that old skinflint uncle of yours."

"Borrow anything? He wouldn't even lend me his attention."—*Baltimore American.*

MORE FAMILIAR WITH IT.

"DID you ever notice the peculiar odor of new paper money?"

"Not exactly, but I've noticed the cent."—*Cleveland Plain Dealer.*

BOOK FOR A BRIDE.

SHE—What would be the most appropriate book to give a bride?

He—A bank book.—*Illustrated Bits.*

ALL BOOKS MENTIONED IN THESE NOTICES WILL BE SUPPLIED AT THE PUBLISHERS' LOWEST RATES BY THE BANKERS PUBLISHING COMPANY, 90 WILLIAM STREET, NEW YORK.

PHILLIPS BROOKS. By Alexander V. G. Allen. New York: E. P. Dutton & Co.

Many a reader has received valuable inspiration from the Life and Letters of Phillips Brooks, published in 1900, about seven years after his death. But those who would know this great preacher more intimately and have no time for the complete biography will be interested in this condensed life, which so admirably answers the requirements of the busy reader. This volume of 653 pages preserves everything of importance bearing on his development and necessary to maintain the perspective of his career.

Phillips Brooks stamped his personality deep on the American people and left an enduring impression by his unprecedented power in the pulpit. As the author truly says, "The love and devotion which went out toward him in such unstinted measure while living have not ceased with his death. He is still speaking to the world he loved—the world whose growth he wanted to live in order that he might see. His message has not been, and cannot be, outgrown." An excellent portrait appears as a frontispiece to the volume and there is a complete index.

+

BAHAMA BILL. By T. Jenkins Hains. Boston: L. C. Page & Co.

Bahama Bill was the mate of the wrecking Sloop Sea-Horse—a gigantic negro and an expert diver and swimmer, whose various adventures make up the chapters of a most readable book.

+

ROBERT E. LEE. By Philip Alexander Bruce, LL.D. Philadelphia: George W. Jacobs & Co.

The value of biographies of great and good men as inspirational reading cannot be exaggerated, and few can be more strongly recommended than that of the great general whose devotion to a lost cause and strength of character receive increasing recognition as time softens the perspective of the war.

This volume is one of the American Crisis Biographies, which constitute a complete and comprehensive history of the great American sectional struggle in the form of readable and authoritative biography. Besides the story of Lee's life and career separate chapters are devoted to his military genius and general character. There is also a bibliography and a complete index.

+

THE CASTLES AND KEEPS OF SCOTLAND. By Frank Ray Fraprie. Boston: L. C. Page & Co.

This handsome volume brings together some of the history and romance attaching to the more important castles of Scotland, making a convenient collection of facts usually found only by reading books not easily accessible. To this information the author has added his own experience where novel or interesting. As to what castles should first be seen the author recommends Edinboro and Stirling as likely to be on most itineraries. But these are citadels and palaces rather than castles. For a single castle giving the most satisfactory idea of Scotch feudal life the author selects Doune, which is easily included in the Trossachs trip. Views and plans of the various castles are set forth, and the index will be found useful in making the book a guide for traveling.

+

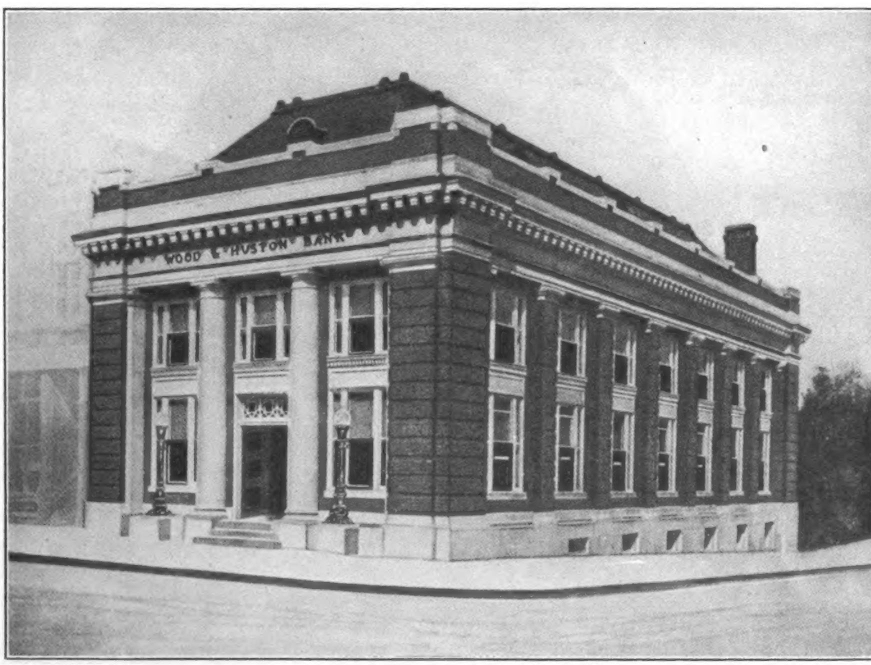
BRITISH HIGHWAYS AND BYWAYS FROM A MOTOR CAR. By Thomas D. Murphy. Boston: L. C. Page & Co.

This is a record of a five thousand mile tour in England, Wales and Scotland—a chronicle of a summer's motoring in Britain. Like all of Page's books, it is handsomely put up, and while no attempt at a guide book has been made, the pictures, maps and comment on highways, towns and country will make the book a useful one for the traveler to take along with him. The views shown are unusually good, some of them being reproductions in colors of famous paintings.

MODERN FINANCIAL INSTITUTIONS AND THEIR EQUIPMENT

WOOD AND HUSTON BANK, MARSHALL, MO.

ONE of the handsomest bank buildings to be found anywhere in the state of Missouri has just been erected for the use of Wood and Huston's Bank of Marshall.



New Building of the Wood and Huston Bank, Marshall, Mo.

Though small, the structure is imposing in appearance, complete and elegant in its appointments, and in all respects a fitting monument to the business capacity of its founders.

Founded in 1874 by Will H. Wood and Joseph Huston, the bank began business upon its present site in small, unpretentious quarters, with a modest capital of $20,000. Since that year it has grown steadily with the city of Marshall, and to-day a bright future of success lies before it.

The main entrance to the building fronts the south, and opens into a spacious lobby, which gives a hint of the excellent taste used in the interior finishings throughout the building.

To the right and left of the entrance are the offices of the president and cashier respectively, within easy access of the public at all business hours. Lighting arrangements for the main rooms are exceptionally good, the light coming from generous

windows upon the east and south and from large sky lights overhead, arranged in panels of art glass.

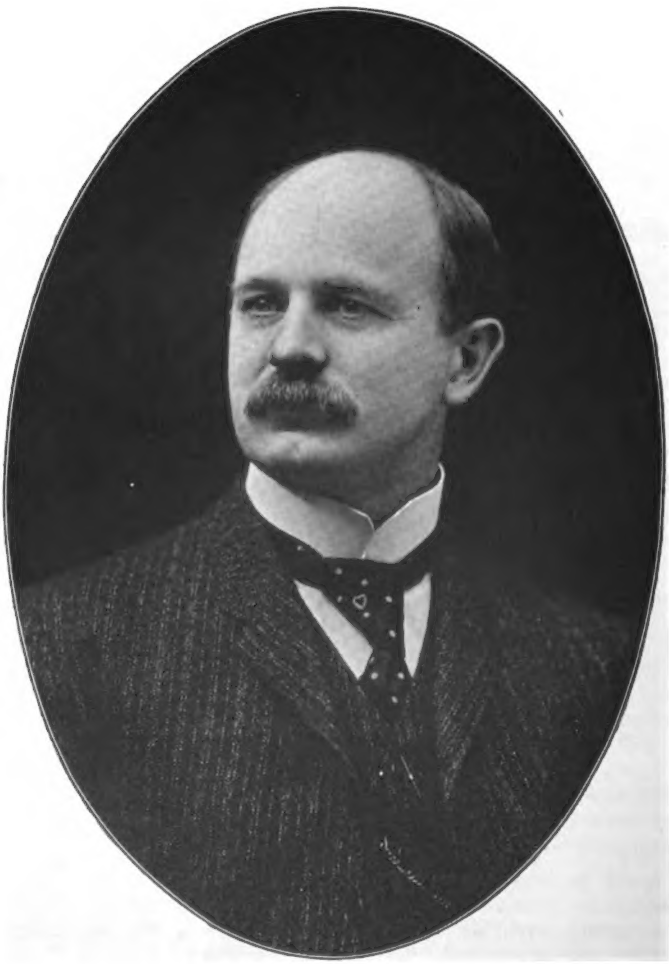
Italian marble has been used in the high wainscoting about the walls, and also in the long sweep of counters topped with solid mahogany, giving a general air of magnificence to the room.

Contrasting well with the ivory whiteness of the ceiling is the grayish green of the walls above the marble wainscoting, and the bright brass fittings of the cages.

In the rear of the first floor are to be found the directors' room and the reception room for customers. Both are tastefully furnished in accordance with the needs of those who will use them and form one of the principal features to be found in this up-to-date building.

On the second floor, there is fitted up a small library for the accommodation of reference volumes and works relating to matters of finance, and also a stockroom where the stationery and bank supplies are kept.

To complete the new home of the bank, commodious vaults have been provided in the basement for preserving books and other records, and these together with the triple time lock vaults on the main floor, will be ample protection for all customers.



W. EMERSON BARGAR
Vice-President Third National Bank, Buffalo, New York.

VICE-PRESIDENT OF THE THIRD NATIONAL BANK OF BUFFALO.

W. EMERSON BARGAR, who entered upon his duties as vice-president of the Third National Bank of Buffalo, N. Y., last December, is well and favorably known throughout western New York and Pennsylvania, having served nearly four years as National Bank Examiner in those sections.

He was born on a farm in Harrison County, Ohio, March 18, 1866, and spent his boyhood there. His early education included a term at the Scio, Ohio, Normal College and four years' experience as a country school teacher in Harrison County.

On March 31, 1891, Mr. Bargar entered Duffs College, Pittsburg, Pa., and graduated the following June. After leaving college he remained for two years as general bookkeeper for the Squires Roofing and Supply Company of Pittsburg, going from there to accept a position as bookkeeper with the City Deposit Bank of Pittsburg.

This move proved to be a wise one on the part of Mr. Bargar, and was the beginning of his banking career. After two and one half years of faithful service with the City Deposit Bank, he accepted a position with the Diamond National Bank of Pittsburg in September, 1895, which he resigned in December, 1897, to become cashier of the First National Bank of Verona, Pa.

In May, 1904, he was appointed National Bank Examiner by Comptroller William B. Ridgely, in which capacity he served until accepting the vice-presidency of the Third National Bank of Buffalo last December.

NEW PRESIDENT OF THE CARNEGIE TRUST COMPANY, NEW YORK.

ON March 4 Charles C. Dickinson was elected president of the Carnegie Trust Company, to succeed Hon. Leslie M. Shaw, resigned.

Charles Courter Dickinson, lawyer and banker, was born at Cobleskill, N. Y. He is a descendant of Robert Dickinson, Lord Mayor of York, England, and Thomas Dickinson, Lord Chamberlain of York, who married Lady Isabelle Wild. On his mother's side he is descended from the Lawyers of Lawyersville, New York, which received the crown patent for the largest tract of land ever granted by an English king in New York State.

Mr. Dickinson was educated at Cobleskill Academy, becoming valedictorian and president of the Alumni Association. He won the competitive scholarship to Cornell University and graduated therefrom at twenty years of age, with the degree of B.L., and became one of the commencement orators. He read law at the Cornell Law School, and obtained the degree of LL.B., gaining first prize on graduation in 1894.

He was admitted to the bar at Albany, May 10, 1894, and during the years of his active practice wrote several valuable law books, namely: "Dickinson on Eminent Domain," "Grosbeck and Dickinson's Banking Laws of New York" and "Dickinson and Cummings' General Municipal Laws." He was engaged some time on the work of the revision of the State Statutes in the Capitol at Albany.

Later he actively engaged in banking, first as an examiner of the State Banking Department, and then as the organizer and vice-president of the Colonial Trust Company. He organized the Carnegie Trust Company, of which he became president, but took the honorary vice-presidency when Mr. Shaw became president. Besides being president of this company, he is chairman of the board of directors of the Carnegie Safe Deposit Company.

He is a member of the Phi Delta Phi Law Fraternity, and has been the president of the Delta Tau Delta Fraternity of the United States.

CHARLES C. DICKINSON
President Carnegie Trust Co., New York City.

In politics, Mr. Dickinson is an independent democrat.

He is a member of the Mayflower Society, Sons of the Revolution, Huguenot Society, Colonial Wars, American Museum of Natural History, Metropolitan Museum of Art, Geographical Society, Botanical Gardens, Municipal Art League, and of the Manhattan, Lotos, New York, Cornell University, Democratic, Lawyers and Railroad Clubs, and numerous benevolent and charitable organizations.

MONEY, TRADE AND INVESTMENTS

NEW YORK, March 2, 1908.

A WEAK AND DULL STOCK MARKET last month gave indication that a quick recovery from the disastrous experience of a few months ago is not to be expected. The fact is that a great many people have suffered severe losses. Many no doubt can stand their loss, but their resources and their confidence have been impaired.

Outside of Wall Street there is still a settling down in general lines of activity and the disposition is to go slow for a while, perhaps until after election, for this is Presidential year and the struggle is already taking form.

There is a feeling that we are about at an end to new developments of a disturbing character. No rumors are now circulated *sub rosa* or otherwise concerning the financial standing of banking and other corporations. Two small life insurance companies, concerning which many unfavorable things have been published for some years past, have been placed in receivers' hands, but no new bank failures have occurred.

The money market may be considered easy and funds are seeking investment, but in the most conservative way. A favorable sign was the successful sale by the city of New York of $50,000,000 4 1-2 per cent. bonds on February 14. The total bids exceeded $271,000,000, and the issue was sold at an average price of 104.22 or on a basis of about 4.29 per cent. Last September the city sold $40,000,000 4 1-2 per cent. bonds at an average price of 102.063.

There failed to be a continuance of the activity in the general bond market recently observed and railroad securities generally are dull. The unfavorable showing of net earnings many of the roads are making exerts an unfavorable influence. A partial compilation of railroad earnings in December, prepared by the "Financial Chronicle," showed a decrease in gross earnings of 89 roads of $9,112,667, or 6.45 per cent., and a decrease in net earnings of $11,644,048 or 25.31 per cent.

The Pennsylvania reported a decrease of $1,767,500 in net earnings in December, the Baltimore & Ohio of $1,230,469, the Louisville & Nashville of $991,388, the Northern Pacific of $724,898, the Chicago & Northwestern of $718,948 and the Erie of $689,-227. The question of reducing expenses is a serious one to many of the roads and a large number of employees have been dismissed. A bulletin issued by the New York State Department of Labor last month reports that out of 66,120 organized workmen in unions in New York city from which reports have been received, 34 per cent. or 22,627 are idle, all but about 2,200 of whom are unable to obtain work.

In the iron trade there have been some favorable developments. The production in January was very small, only 1,045,525 tons, which compares with 1,234,279 tons in December, 1,828,125 tons in November and 2,-336,972 tons in October. The record of furnaces in blast on February 1, however, showed that the weekly capacity had been increased since January 1 from 232,652 to 241,925 tons.

The banking situation in New York is still showing the effect of recent events. Just as the months came to a close, the Attorney General of New York caused the appointment of receivers for the Oriental and the Mechanics and Traders' banks, which closed their doors in January. Both these institutions were completing arrangements which would have made a receivership unnecessary, and the action of the Attorney-General caused considerable surprise.

On February 8 the weekly statement of the clearing-house banks was published for the first time since October 26 last. A comparison of the two statements of those dates shows some remarkable changes. Deposits show an increase of $113,000,000, although four banks, the Mechanics and Traders', the Bank of North America, the Oriental and the New Amsterdam, which were in the October 26 list, were not in the February 8 list. These four banks in October had over $35,000,000 deposits. The gain in deposits for the remaining banks, therefore, was nearly $149,000,000. Of this gain more than one-half, or $76,000,000, is reported by three banks, the National City $32,444,-900, the National Bank of Commerce, $22,-330,500, and the Chase National, $21,600,100. Six other banks gained $5,000,000 or more each. A list is here presented of all the banks which on February 8 reported over

$10,000,000 of deposits, showing the increase in deposits between October and February.

The twenty-four banks named gained $153,000,000, representing more than the total gain for all the banks. A few other banks also made gains, some of more than $1,000,000, while the remainder show a decrease since October.

With the resumption of the publication of the individual statements of the banks has frequently been called for. The Banking Superintendent has also published the figures for the state banks and trust companies separately, so that the whole banking situation in New York may now be studied from week to week, except as to the few national banks not in the Clearing-House.

With the publication of both the actual and the average condition of the Clearing-House banks, it is possible to ascertain how widely they vary. It has frequently been urged that the former statements frequently gave a very wrong conception of the actual situation. That there was a basis for such contention may be assumed from a

DEPOSITS IN NEW YORK BANKS.

	Oct. 26, 1907.	Feb. 8, 1908.	Increase.
National City	$139,079,600	$170,524,500	$32,444,900
Commerce	102,970,900	125,301,400	22,330,500
First National	88,649,700	95,959,000	7,309,300
Park	73,488,000	75,986,000	2,498,000
Chase	54,671,200	75,271,300	21,600,100
Hanover	64,712,000	71,016,800	6,304,800
Corn Exchange	40,851,000	46,878,000	6,027,000
Chemical	30,135,500	33,629,800	3,494,300
Manhattan Co.	26,750,000	29,725,000	2,975,000
Mechanics'	19,385,400	29,074,000	9,688,600
Bank of America	20,923,300	26,756,000	5,832,700
American Exchange	20,303,300	26,074,500	5,771,200
Importers and Traders'	23,080,000	24,585,000	1,505,000
Fourth National	20,564,000	22,732,000	2,168,000
Seaboard	18,930,000	21,846,000	2,916,000
Citizens' Central	19,769,600	20,027,200	257,600
Bank of New York	15,136,000	19,009,000	3,873,000
Merchants'	15,663,400	18,604,000	2,940,600
Irving National Exchange	13,659,900	15,996,900	2,337,000
Lincoln	12,428,000	15,674,800	3,246,800
Fifth Avenue	10,475,700	14,086,600	3,610,900
Liberty	11,669,600	12,875,700	1,206,100
Second National	8,706,000	10,424,000	1,718,000
Metropolis	8,724,200	10,234,500	1,510,300

—LOANS—

	Average.	Actual.	—Excess of—	
February 8	$1,139,755,700	$1,135,737,800	Average	$4,017,900
February 15	1,135,248,200	1,133,086,600	Average	2,161,600
February 21	1,143,969,700	1,153,855,500	Actual	9,885,800
February 29	1,161,057,700	1,166,988,400	Actual	5,930,700

—DEPOSITS—

	Average.	Actual.	—Excess of—	
February 8	$1,137,384,500	$1,131,691,000	Average	$5,693,500
February 15	1,132,309,100	1,133,324,600	Actual	1,015,500
February 21	1,146,291,400	1,161,023,200	Actual	14,731,800
February 29	1,167,623,700	1,176,818,500	Actual	9,194,800

—RESERVES—

	Average.	Actual.	—Excess of—	
February 8	$314,178,300	$313,301,500	Average	$876,800
February 15	313,927,500	315,823,000	Actual	1,895,500
February 21	319,041,400	323,327,800	Actual	4,286,400
February 29	321,168,600	321,993,700	Actual	825,100

a radical change was made in making the reports. The Clearing-House has added to the statement of averages a statement of the actual aggregate figures, data which

comparison of the respective statements for last month.

The average and actual figures for loans, deposits and reserves are compared for each week in last month in the annexed table.

For loans the average figures twice exceeded the actual figures, while the actual figures were larger in the other two weeks. The largest difference was nearly $10,000,000. In three weeks out of the four the actual deposits were larger than the statement of averages showed, and here the largest difference was nearly $15,000,000. In the matter of reserves the two sets of figures come nearer together. The actual figures were larger than the average statement showed in three weeks of the four. The maximum difference was about $4,000,000.

The additional statements now published show that the net deposits of the state banks and trust companies outside of the Clearing-House Association are equal to over 50 per cent. of the net deposits of the Clearing-House banks. On February 29 the former were $619,000,000 and the latter $1,176,000,000. The loans were $769,000,000 and $1,166,000,000, respectively.

The gross deposits of all the trust companies in Greater New York exceed those of all the state banks by $374,000,000, the former being $651,000,000 and the latter $277,000,000. But the actual cash held by the state banks was $63,000,000, as against less than $45,000,000 held in the trust companies. The publication of these comprehensive figures for all the banks will lead probably to some further attempts at legislation to settle certain vexed questions between the rival interests. The report of the State Banking Department showing the condition of the savings banks of New York State, of which there are 138, on January 1 is of exceptional interest. The deposits increased $18,363,253 during the year 1907, but this compares with an increase of $69,676,970 in 1906 and of $93,775,724 in 1905. These figures are sufficient to show that the wage earning class which comprises a large portion of savings banks depositors have not been enjoying the prosperity experienced prior to last year. In fact, it would be necessary to go back a good many years to find a year recording as small a decrease as in 1907. In the previous eight years the smallest annual increase was $54,000,000.

The fact, however, is that there was an actual decrease in the last six months of 1907 amounting to $13,896,944. In the first half of the year there had been an increase of $32,260,198. The latter gain was the smallest in any similar six months since 1888, while the decrease in the last half of the year is the only one reported in the same time. The increase in deposits is shown in the accompanying table.

One particularly interesting feature of the report of the Bank Superintendent shows the effect, upon the surplus of the savings banks, of the extraordinary depreciation in the prices of securities last year. In 1905 the market value of the securities owned by the savings banks was $27,552,000 in excess of the par value and in 1906 it was $11,593,000. In 1907 the market value was $15,174,000 less than the par value. On the basis of par value the surplus of the savings banks increased from $85,282,734 in 1905 and $90,598,953 in 1906 to $98,429,822, a gain in two years of $13,000,000. On the basis of market values the surplus fell from $112,834,425 in 1905 to $102,192,265 in 1906 and to $83,255,275 in 1907, a loss of $29,500,000 in two years.

For several months past our foreign trade has presented features which have invited attention. In each of the three months since October 31 the exports have exceeded $200,000,000, a record never before reached. This extraordinary movement is not likely to continue as the exporting season is about coming to a point where a decrease may be expected. But in the three months the country has exported $329,000,000 more than it imported. Such a balance is an important barrier against gold exports.

SAVINGS BANK DEPOSITS IN NEW YORK STATE.

	Amount.	Increase in 6 months.		Amount.	Increase in 6 months.
Jan., 1899...	$816,144,367	$29,931,891	July, 1899...	$852,443,278	$36,298,911
Jan., 1900...	887,480,650	35,037,372	July, 1900...	922,081,596	34,600,946
Jan., 1901...	947,129,638	25,048,042	July, 1901...	987,621,809	40,492,071
Jan., 1902...	1,014,305,857	26,684,048	July, 1902...	1,051,689,186	37,383,329
Jan., 1903...	1,077,383,743	25,694,557	July, 1903...	1,112,418,552	35,034,809
Jan., 1904...	1,131,281,943	18,863,395	July, 1904...	1,166,091,444	34,809,501
Jan., 1905...	1,198,583,142	32,491,698	July, 1905...	1,252,928,300	54,345,158
Jan., 1906...	1,292,358,866	39,430,566	July, 1906...	1,335,093,053	42,734,187
Jan., 1907...	1,362,035,836	26,942,783	July, 1907...	1,394,296,034	32,260,198
Jan., 1908...	1,380,399,090	*13,896,944			

* Decrease.

But the feature of the most significance perhaps is the very large falling off in imports which has followed the panic of last autumn. In December the imports fell to $92,000,000, compared with $134,000,000 in 1906 and in January to $85,000,000, compared with $126,000,000 a year ago. Not infrequently imports of merchandise have been an index of the country's prosperity. During the period prior to the panic of 1873 the imports rose in five years from $368,000,000 to $655,000,000 per annum. From 1873 to 1878 they declined to $431,-000,000. In the good times following resumption the imports increased until in 1882 they reached $752,000,000, falling in the following three years to $587,000,000. In the recovery following 1885 the imports advanced to $840,000,000 by 1892, falling in the memorable year 1894 to $676,000,000. In 1898, when prosperity began to manifest itself throughout the country, the imports were only about $635,000,000, but in each of the nine years since they have increased, until in the calendar year 1907 they exceeded $1,423,000,000. The decrease which occurred in December and January last may be only temporary, but the indications are that for some time to come no new maximum records will be made in an import trade.

The Money Market.—Rates for money are about the same as they were a month ago. Towards the close of the month the market grew steadier as a result of the return to the Treasury of public funds held by the banks. At the close of the month call money ruled at 1 1-2@2 per cent., with the majority of loans at 1 3-4 per cent. Banks loaned at 1 1-2 per cent. and trust companies at 2 per cent. as the minimum. Time money on Stock Exchange collateral is quoted at 4 per cent. for sixty to ninety days, 4 1-4 per cent. for four months and 4 1-2@4 3-4 per cent. for five to six months on good mixed collateral. For commercial paper the rates are 4 1-2@5 per cent. for sixty to ninety days' endorsed bills receivable, 5@5 1-2 per cent. for first-class four to six months' single names, and 5 1-2 @6 per cent. for good paper having the same length of time to run.

New York Banks.—Connected with the local banks there have been some important happenings. In the first place the publication of the individual statements of the banks suspended since October 26 was resumed on February 8. On the latter date various changes were also made in the method of reporting the bank figures. The average condition for each week is still reported, but the actual figures at the close of business on Friday are also given. Then there are given average figures for the state banks and trust companies not in the Clearing-House, and in addition statements of all the state banks in Greater New York, and, in a separate table, of all the trust companies. A startling array of bank figures is set forth weekly now and the work of intelligently considering them is by no means easy.

On the basis of the old plan of reporting the condition of the New York Clearing-House banks some very remarkable changes have occurred in the past month. Loans have increased very rapidly $27,000,000 in the last four weeks, and on February 29 they were $1,161,000,000, or $47,000,000 more than on January 11 last. Deposits increased $29,000,000 during the month, and now amount to $1,167,000,000. At the height of the panic in October the deposits were down to $1,023,000,000. Since October 26 they have increased $144,000,000. The reserves have fallen, being about $321,000,-000, as compared with $325,000,000 a month ago. The decrease in surplus reserve has occasioned no little surprise. From $40,-500,000 on February 1 this item has declined to about $29,000,000. Circulation is still being reduced, more than $5,000,000 having been retired during the month.

Foreign Banks.—The Imperial Bank of Germany made the largest gain in gold of any of the leading banks abroad last month, having added to its stock nearly $25,000,-000. The Bank of France gained $15,000,-000 and the Bank of England $4,000,000.

Foreign Exchange.—Sterling exchange was weak during the early part of the month, but became firmer and recovered most of the decline by the end of the month. There is nothing at present to indicate any

Money Rates in New York City.

	Oct. 1.	*Nov. 1*	*Dec. 1.*	*Jan. 1.*	*Feb. 1.*	*Mar. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances	4 —6	6 —20	5½—12	8 —18	1½—2	1½—2
Call loans, banks and trust companies	2½—	....	....	....	1½—	1½—2
Brokers' loans on collateral, 30 to 60 days	5¾—6	6½ 7	....	12 —	3 — ½	4 —
Brokers' loans on collateral, 90 days to 4 months	6 —½	6½—7	12—15	10 —	8 — ½	4 —½
Brokers' loans on collateral, 5 to 7 months	6 —½	6½- 7	....	7 —8	4½—	4½—¾
Commercial paper, endorsed bills receivable, 60 to 90 days	7 —	7 —	7 —7½	8 —½	5½—6	4½—5
Commercial paper, prime single names, 4 to 6 months	7 —	7 —	7 —7½	8 —½	5½—6	5 —½
Commercial paper, good single names, 4 to 6 months	7 —	7 —	8 —	9 —	6 — ½	5½—6

NEW YORK CLEARING HOUSE BANKS—AVERAGE CONDITION AT CLOSE OF EACH WEEK.

DATES.	*Loans.*	*Specie.*	*Legal tenders.*	*Net Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Feb. 1...	$1,133,786,100	$258,139,600	$67,012,500	$1,138,501,500	$40,526,725	$69,263,700	$1,340,131,400
" 8...	1,139,755,700	254,081,300	60,097,000	1,137,384,500	29,832,175	67,391,500	1,304,320,900
" 15...	1,135,248,200	253,424,200	60,503,300	1,132,309,100	30,850,225	66,723,500	1,092,577,800
" 21...	1,143,969,700	258,374,800	60,666,600	1,146,291,400	32,468,550	66,187,700	1,028,157,800
" 29...	1,161,057,700	261,318,200	59,850,400	1,167,623,700	29,262,675	64,133,600	1,255,513,900

NEW YORK CLEARING HOUSE BANKS—ACTUAL CONDITION.

Dates.	*Loans.*	*Specie.*	*Legal Tenders.*	*Net Deposits.*	*Reserve Held.*
Feb. 7.............	$1,135,737,800	$252,154,700	$61,146,800	$1,131,691,000	$313,301,500
" 14.............	1,133,086,600	252,623,700	63,199,700	1,133,324,600	315,823,000
" 21.............	1,153,855,500	261,431,500	61,896,300	1,161,023,200	323,327,800
" 28.............	1,166,988,400	263,011,800	58,981,900	1,176,818,500	321,993,700

STATE BANKS AND TRUST COMPANIES OUTSIDE OF CLEARING HOUSE—AVERAGE CONDITION.

Dates.	*Loans.*	*Specie.*	*Legal Tenders.*	*Net Deposits.*	*Gross Deposits.*	*Reserve on Deposits*
Feb. 8........	$770,262,800	$38,271,000	$10,754,700	$618,478,526	$724,742,100	$183,022,000
" 15........	773,852,300	40,517,800	10,558,500	620,332,900	731,596,500	182,443,000
" 21........	770,931,900	41,578,800	10,750,200	619,674,000	729,547,100	183,454,100
" 29........	769,650,800	42,475,400	10,618,000	619,417,400	732,801,000	188,562,200

STATE BANKS—AVERAGE CONDITION.

Dates.	*Loans.*	*Specie.*	*Legal Tenders.*	*Gross Deposits.*	*Reserve on Deposits.*
Feb. 8..............	$246,847,700	$44,584,600	$19,276,800	$276,513,700	$75,230,000
" 15..............	246,748,900	46,478,900	19,577,600	278,586,100	77,679,800
" 21..............	248,734,800	42,960,600	20,245,300	277,878,000	75,638,400
" 29..............	247,802,900	43,241,800	20,073,800	277,237,600	76,037,300

TRUST COMPANIES—AVERAGE CONDITION.

Dates.	*Loans.*	*Specie.*	*Legal Tenders.*	*Gross Deposits.*	*Reserve on Deposits.*
Feb. 8..............	$695,211,700	$34,905,600	$5,932,600	$647,353,100	$164,954,000
" 15..............	698,801,100	36,784,800	5,726,400	650,908,100	163,890,500
" 21..............	696,441,000	37,799,200	5,775,400	648,399,000	164,018,600
" 29..............	695,333,700	38,746,200	5,669,700	651,272,500	168,815,400

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	*1906.*		*1907.*		*1908.*	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January..................	$977,651,300	$4,292,575	$981,301,100	$5,369,225	$1,050,925,400	*$20,170,850
February..................	1,061,408,100	11,127,625	1,076,720,000	12,634,100	1,138,501,500	40,526,725
March..................	1,029,545,000	5,008,755	1,038,431,800	3,857,650	1,167,623,700	29,262,675
April..................	1,004,290,500	5,131,270	1,019,817,300	13,131,275	....	....
May..................	1,028,683,200	10,367,400	1,106,183,300	12,346,775	....	....
June..................	1,036,751,100	6,816,025	1,128,194,600	12,782,450	....	....
July..................	1,049,617,000	12,055,750	1,092,031,700	2,509,275	....	....
August..................	1,060,116,900	18,892,475	1,099,302,400	7,478,200	....	....
September..................	1,042,057,200	2,869,400	1,046,655,800	8,756,450	....	....
October..................	1,034,059,000	12,540,350	1,055,193,700	5,646,575	....	....
November..................	1,015,824,100	3,049,775	1,051,786,900	*38,838,825	....	....
December..................	998,634,700	1,449,125	1,083,283,300	*52,989,425	....	....

Deposits reached the highest amount, $1,224,206,600, on September 17, 1904; loans, $1,198,078,500 on November 30, 1907, and the surplus reserve $111,623,000 on Feb. 3, 1894. * Deficit.

NON-MEMBER BANKS—NEW YORK CLEARING-HOUSE.

DATES.	Loans and Investments.	Deposits.	Specie.	Legal tender and bank notes.	Deposit with Clearing-House agents.	Deposit in other N. Y. banks.	Surplus Reserve.
Oct. 26	$96,375,800	$96,321,500	$4,043,700	$5,410,500	$ 9,887,800	$2,857,800	* 1,880,575
Feb. 8	80,184,300	88,770,500	4,245,300	5,403,300	12,494,100	2,929,100	* $2,879,175
" 15	80,399,500	88,909,200	4,479,600	5,733,000	12,080,800	3,128,100	* 6,194,200
" 21	80,240,700	90,717,700	4,631,600	5,731,100	14,064,300	2,908,000	* 4,655,575
" 28	80,441,900	90,048,200	4,624,500	5,837,000	12,774,600	3,170,200	* 3,894,250

* Deficit.

BOSTON BANKS.

DATES.	Loans.	Deposits.	Specie.	Legal Tenders.	Circulation.	Clearings.
Jan. 25	$188,066,000	$210,320,000	$22,433,000	$3,428,000	$10,777,000	$149,881,200
Feb. 1	189,100,000	209,605,000	21,804,000	3,205,000	10,732,000	131,649,800
" 8	191,262,000	210,191,000	20,841,000	2,954,000	10,808,000	138,458,000
" 15	191,527,000	208,024,000	20,252,000	3,007,000	10,810,000	127,850,400
" 21	190,465,000	205,795,000	20,055,000	2,903,000	10,826,000	107,818,500

PHILADELPHIA BANKS.

DATES.	Loans.	Deposits.	Lawful Money Reserve.	Circulation.	Clearings.
Jan. 25	$221,389,000	$234,083,000	$50,032,000	$18,049,000	$113,718,200
Feb. 1	220,125,000	235,732,000	52,940,000	18,019,000	108,777,800
" 8	219,557,000	234,276,000	54,183,000	17,922,000	118,347,600
" 15	219,001,000	236,353,000	55,422,000	17,971,000	95,815,300
" 21	217,078,000	237,778,000	57,836,000	17,965,000	85,071,700

GOLD AND SILVER IN THE EUROPEAN BANKS.

	Jan. 1, 1908.		Feb. 1, 1907.		Mar. 1, 1907.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England	£30,745,846	....	£38,508,150	....	£39,320,717	....
France	107,637,853	£36,977,204	107,457,009	£36,358,751	110,627,822	£36,268,399
Germany	27,986,000	7,756,000	29,647,000	12,287,000	34,470,000	14,287,000
Russia	120,504,000	5,376,000	115,724,000	5,591,000	116,063,000	6,070,000
Austria-Hungary	45,759,000	11,675,000	46,183,000	12,260,000	46,511,000	12,578,000
Spain	15,649,000	25,758,000	15,680,000	25,894,000	15,717,000	25,954,000
Italy	38,664,000	4,773,800	36,561,000	4,700,000	36,398,000	4,600,600
Netherlands	7,648,300	4,780,800	7,664,000	4,331,500	7,691,400	4,815,000
Nat. Belgium	3,589,333	1,794,667	3,687,333	1,843,667	4,030,667	2,015,000
Sweden	3,910,000	....	3,907,000	....	3,904,000	....
Switzerland	....	....	....	....	3,315,000	....
Norway	....	....	....	....	1,501,000	....
Totals	£402,093,332	£98,891,471	£405,018,492	£103,265,918	£419,549,606	£106,082,982

RATES FOR STERLING AT CLOSE OF EACH WEEK.

WEEK ENDED.	BANKERS' STERLING. 60 days.	BANKERS' STERLING. Sight.	Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
Feb. 1	4.8390 @ 4.8400	4.8695 @ 4.8705	4.8735 @ 4.8745	4.83¼ @ 4.83⅜	4.82¾ @ 4.83⅛
" 8	4.8315 @ 4.8325	4.8650 @ 4.8655	4.8675 @ 4.8680	4.82⅛ @ 4.82¾	4.82 @ 4.83
" 15	4.8250 @ 4.8260	4.8580 @ 4.8590	4.8615 @ 4.8625	4.81⅞ @ 4.82	4.81⅛ @ 4.82⅛
" 21	4.8340 @ 4.8350	4.8665 @ 4.8675	4.8705 @ 4.8715	4.82⅞ @ 4.83	4.82¼ @ 4.83⅜
" 29	4.8360 @ 4.8370	4.8660 @ 4.8670	4.8710 @ 4.8720	4.83⅛ @ 4.83¼	4.82⅝ @ 4.83⅜

Foreign Exchange—Actual Rates on or About the First of Each Month.

	Nov. 1.	Dec. 1.	Jan. 1.	Feb. 1.	Mar. 1.
Sterling Bankers—60 days	4.79 — ¼	4.81 — ¼	4.79 — ¼	4.83⅞— 84	4.83⅝— ¾
" " Sight	4.84⅛— ¾	4.86¼— ⅝	4.84⅛— ¼	4.86⅞— 87	4.86⅝— ¾
" " Cables	4.86½— ⅝	4.87⅞—88	4.85⅝— ⅞	4.87⅜— ½	4.87⅛— ¼
" Commercial long	4.76¾— 7¼	4.79⅛—80	4.77¾—79¼	4.83¼— ⅜	4.83⅛— ¼
" Docu'tary for paym't	4.77 —79	4.78 —81	4.77½—79¼	4.82¾— 3⅛	4.82⅝— 3⅜
Paris—Cable transfers	5.17⅛—16⅞	5.16⅞— ¼	5.18⅛—17½	5.16¼—15⅝	5.16⅞—
" Bankers' 60 days	5.23⅛—22½	5.21⅞— ¼	5.23⅛—22½	5.19⅜—18¾	5.20 —19⅜
" Bankers' sight	5.20 —19⅝	5.18⅛—17½	5.19⅜—18¾	5.16¼—	5.17½—16⅞
Swiss—Bankers' sight	5.21¼—20⅝	5.19⅜—18¾	5.20⅝—20	5.17½—16⅞	5.18⅛—17½
Berlin—Bankers' 60 days	93¼— ¾	93⅝— ¾	93⅝— ¾	94⅜— ½	94 5/16— 7/16
" Bankers' sight	94¼— ½	94⅝— ¾	94⅛— ⅝	95 1/16— ⅛	95 — 1/16
Amsterdam—Bankers' sight	40 3/16— ⅜	40 1/16— ⅛	39 15/16—40	40 3/16— ⅜	40¼—
Kronors—Bankers' sight	26⅛— ⅝	26⅛— ⅝	26⅛— ⅝	26⅝— ¾	26⅝— ¾
Italian lire—sight	5.16⅞— ¼	5.18⅛—17⅛	5.18¾—20⅛	5.16¼—	5.16⅞—

Bank of England Statement and London Markets.

	Nov. 30, 1907.	Dec. 31, 1907.	Jan. 31, 1908.	Feb. 29, 1908.
Circulation	£27,909,000	£29,520,000	£28,026,000	£28,810,000
Public deposits	7,713,000	7,552,000	8,884,000	17,177,000
Other deposits	48,009,000	52,657,000	42,099,000	43,728,000
Government securities	14,332,000	15,832,000	14,332,000	14,328,000
Other securities	32,704,000	40,802,000	25,836,000	34,840,000
Reserve of notes and coin	21,785,000	21,473,000	28,932,000	29,961,000
Coin and bullion	32,244,973	32,543,665	38,508,150	39,320,717
Reserve to liabilities	42.83%	35.62%	56.68%	49.13%
Bank rate of discount	7%	7%	4%	4%
Price of Consols (2½ per cents.)	82⅝	83⅛	86⅛	87 11/16
Price of silver per ounce	26⅝d.	24⅞d.	25½d.	25 9/16d.

Monthly Range of Silver in London—1906, 1907, 1908.

Month.	1906. High	1906. Low.	1907. High	1907. Low.	1908. High	1908. Low.
January	30¼	29 13/16	32 7/16	31¼	26¾	25⅛
February	30 13/16	30⅛	32⅛	31½	26 9/16	25½
March	30 7/16	29	32 1/16	30⅝		
April	30 9/16	29⅝	30⅛	30		
May	31⅜	30 9/16	31⅛	29 15/16		
June	31 1/16	29⅝	31 1/16	30⅝		
July	30 7/16	29 13/16	31 15/16	31		
August	30 13/16	29⅞	32 3/16	31⅛		
September	31¾	30 13/16	31 9/16	31⅛		
October	32 9/16	31 11/16	30⅞	27 7/16		
November	33⅛	32	27 13/16	26 9/16		
December	32 5/16	31 9/16	26 11/16	24 3/16		

Foreign and Domestic Coin and Bullion—Quotations in New York.

	Bid.	Asked.		Bid.	Asked.
Sovereigns	$4.86	$4.90	Mexican doubloons	$15.50	$15.65
Bank of England notes	4.85	4.90	Mexican 20 pesos	19.50	19.65
Twenty francs	3.87	3.92	Ten guilders	3.95	4.00
Twenty marks	4.73	4.76	Mexican dollars	.47¼	.52¼
Twenty-five pesetas	4.78	4.82	Peruvian soles	.39¼	.42¾
Spanish doubloons	15.50	15.65	Chilian pesos	.39¼	.42¼

Bar silver in London on the first of this month was quoted at 25 9/16d. per ounce. New York market for commercial silver bars, 55⅝ @ 56⅞c. Fine silver (Government assay), 55⅛ @ 57c. The official price was 55⅝c.

desire for American gold on the other side, although there is reported considerable selling of our securities against which gold may be exported. Any important movement would, however, have a bad effect on the money market here which would cause a decline in the sterling market.

Money Rates Abroad.—A reduction in the rate of discount of the Bank of England was looked for during the whole month, but no change was made and the rate remains at 4 per cent. The only leading bank to change its rate was the Bank of Belgium, which reduced its rate from 5 to 4 per cent. on February 27. Discounts of sixty to ninety-day bills in London at the close of the month were 3 3-8 per cent., against 3 1-2@3 5-8 per cent. a month ago. The open market rate at Paris was 2 1-4 per cent., against 2 7-8 per cent. a month ago, and at Berlin and Frankfort 4 5-8 per cent., against 4 1-2@4 5-8 per cent. a month ago.

Silver.—The price of silver in London advanced to 26 9-16d. early in the month, but then became weaker, declining to

Exports and Imports of the United States.

Month of January.	Merchandise. Exports.	Merchandise. Imports.	Merchandise. Balance.	Gold Balance.	Silver Balance.
1903	$133,992,269	$85,174,786	Exp., $48,817,483	Imp., $1,924,900	Exp., $2,083,325
1904	142,045,170	82,589,866	" 59,055,304	" 7,633,941	" 2,377,522
1905	123,597,383	98,342,876	" 25,254,507	Exp., 14,932,477	" 2,442,543
1906	170,603,053	106,521,525	" 64,081,528	" 3,135,956	" 2,829,957
1907	189,296,944	126,586,934	" 62,710,010	Imp., 820,433	" 1,109,924
1908	206,211,835	85,698,704	" 120,513,131	" 10,436,260	" 680,128
Seven Months.					
1903	856,482,039	598,149,514	Exp., 258,332,525	Imp., 17,176,519	Exp., 14,646,048
1904	929,146,344	565,339,684	" 363,806,660	" 45,914,990	" 11,489,311
1905	901,190,026	625,914,513	" 275,275,513	Exp., 30,655,403	" 13,898,647
1906	1,056,624,825	695,724 641	" 360,900,184	Imp., 23,585,119	" 14,496,081
1907	1,129,697,650	809,729,176	" 319,968,474	" 78,763,591	" 8,078,775
1908	1,189,197,668	757,705,414	" 431,492,254	" 113,450,736	" 9,570,036

25 1-2d. and closing at 25 9-16d., a net advance of 1-16d. for the month.

Foreign Trade.—The exports of merchandise in January exceeded $206,000,000, making the third successive month in which the total went above $200,000,000. In no month prior to November last did the exports ever reach such a figure. Imports, on the other hand, show a severe falling off. They were less than $86,000,000 in January, the smallest since September, 1904, with the exception of July, 1905, when they were $1,100,000 less than in the month under review. The imports are $41,000,000 less than in January last year, while exports increased $17,000,000. The balance of net exports for the month is $120,000,000, the largest ever recorded in any month, and it brings the total for the seven months of the current fiscal year to $431,000,000. In the last three months the exports have exceeded the imports by $328,000,000. This balance was never equalled in any previous similar period. Gold exports have also been making new records. In January the net imports were more than $10,000,000, making the net movement for the seven months of the fiscal year $113,000,000. Only once in any calendar year has the full year's total exceeded these figures. In 1898 nearly $142,000,000 was imported. In 1906 nearly $109,000,000 net was received. These are the only years when the total went above $100,000,000.

National Bank Circulation.—The amount of national bank notes outstanding was increased $271,757 during the month, although nearly $14,000,000 of lawful money was deposited to retire circulation, and more than $10,000,000 of Government bonds were withdrawn as security for bank circulation. There is now $63,000,000 of lawful money on deposit as security for bank notes to be retired, equal to about 9 per cent. of the total outstanding. A year ago the total was about $47,000,000, or about 8 per cent.

Government Revenues and Disbursements.—A deficit of $8,405,108 for the month of February is reported by the Treasury, making $27,000,000 for the fiscal year since July 1, 1907. In the corresponding eight months of last year there was a surplus of nearly $41,000,000. The revenues in February were $5,600,000 less than in the same month last year and show a decline

National Bank Circulation.

	Nov. 30, 1907.	Dec. 31, 1907.	Jan. 31, 1908.	Feb. 28, 1908.
Total amount outstanding	$656,218,196	$690,130,895	$695,402,762	$695,674,519
Circulation based on U. S. bonds	610,156,008	643,459,899	641,919,664	632,458,712
Circulation secured by lawful money	46,062,188	46,670,996	53,483,098	63,215,807
U. S. bonds to secure circulation:				
Four per cents. of 1925	16,995,650	18,181,600	17,308,600	16,384,750
Three per cents. of 1908-1918	11,347,480	12,211,680	12,004,720	9,788,520
Two per cents. of 1930	560,574,800	568,926,410	567,561,700	560,353,850
Panama Canal 2 per cents	19,567,880	32,518,810	34,517,300	34,463,040
Certificates of Indebtedness 3 per cent	9,908,500	14,944,500	15,436,500	15,436,500
Total	$618,394,310	$646,783,000	$646,828,820	$636,426,660

The National Banks have also on deposit the following bonds to secure public deposits: 4 per cents of 1925, $6,145,350; 3 per cents. of 1908-1918, $8,097,500; 2 per cents. of 1930, $43,342,000; Panama Canal 2 pe cents. $19,384,240; District of Columbia 3.65's, 1924, $1,374,000; Hawaiian Islands bonds, $1,992,000- Philippine loan, $9,035,000; state, city and railroad bonds, $174,290,491; Porto Rico, $730,000 ce[illegible]e of indebtedness 3 per cent., $———; a total of $284,340,581.

United States Treasury Receipts and Expenditures.

Receipts.

Source.	February, 1908.	Since July 1, 1907.
Customs	$22,475,931	$201,716,924
Internal revenue	18,496,416	170,642,066
Miscellaneous	7,352,552	42,813,821
Total	$48,324,899	$415,172,811
Excess of receipts	*$8,405,108	*$27,090,787

*Excess of expenditures.

Expenditures.

Source.	February, 1908.	Since July 1, 1907
Civil and mis.	$11,563,032	$97,695,852
War	9,692,048	74,011,757
Navy	10,286,172	77,950,983
Indians	1,202,140	9,502,625
Pensions	15,756,446	103,551,841
Public works	6,550,905	63,927,914
Interest	1,679,269	15,622,626
Total	$56,730,007	$442,263,598

United States Public Debt.

	Dec. 1, 1907.	Jan. 1, 1908.	Feb. 1, 1908.	Mar. 1, 1908.
Interest-bearing debt:				
Consols of 1930, 2 per cent	$646,250,150	$645,250,150	$646,250,150	$646,250,150
Loan of 1925, 4 per cent	118,489,900	118,489,900	118,489,900	118,489,900
Loan of 1908-1918, 3 per cent	63,945,460	63,945,460	63,945,460	63,945,460
Panama Canal Loan of 1916, 2 per cent	30,000,000	54,088,040	54,631,980	54,631,980
Certificates of Indebtedness 1908	10,917,500	15,436,500	15,436,500	15,436,500
Total interest-bearing debt	$869,603,010	$898,210,050	$898,753,990	$898,753,990
Debt on which interest has ceased	6,228,015	5,580,385	5,107,205	4,887,095
Debt bearing no interest:				
Legal tender and old demand notes	346,734,298	346,734,298	346,734,298	346,734,298
National bank note redemption acct	45,601,979	46,162,653	51,597,010	62,028,732
Fractional currency	6,863,549	6,863,434	6,863,434	6,863,434
Total non-interest bearing debt	$399,199,827	$399,760,386	$405,194,742	$415,626,465
Total interest and non-interest debt	1,275,030,852	1,303,550,821	1,309,055,938	1,319,267,550
Certificates and notes offset by cash in the Treasury:				
Gold certificates	747,218,869	767,005,869	810,215,869	830,046,869
Silver certificates	471,687,000	471,416,000	464,704,000	457,044,000
Treasury notes of 1890	5,546,000	5,479,000	5,400,000	5,319,000
Total certificates and notes	$1,224,451,869	$1,243,900,869	$1,280,319,869	$1,292,409,869
Aggregate debt	2,499,482,721	2,547,451,690	2,589,375,807	2,611,677,419
Cash in the Treasury:				
Total cash assets	1,730,059,038	1,779,680,663	1,814,600,028	1,830,147,441
Demand liabilities	1,329,508,024	1,360,160,672	1,398,182,727	1,411,301,637
Balance	$400,551,013	$419,519,990	$416,417,301	$418,845,804
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	250,551,013	269,519,990	266,417,301	268,845,804
Total	$400,551,013	$419,519,990	$416,417,301	$418,845,804
Total debt, less cash in the Treasury	874,479,839	884,030,831	892,638,637	900,421,746

Money in Circulation in the United States.

	Dec. 1, 1907.	Jan. 1, 1908.	Feb. 1, 1908.	Mar. 1, 1908.
Gold coin	$640,577,952	$648,573,173	$641,496,096	$633,804,057
Silver dollars	90,979,549	91,312,428	89,557,092	86,539,225
Subsidiary silver	132,979,612	134,980,859	130,701,055	127,388,912
Gold certificates	675,636,209	706,612,349	769,629,359	791,661,899
Silver certificates	468,953,120	467,731,347	453,418,640	446,191,369
Treasury notes, Act July 14, 1890	5,537,067	5,469,056	5,392,484	5,308,501
United States notes	344,682,957	345,275,422	339,171,655	337,053,315
National bank notes	648,895,117	679,034,664	665,001,318	664,719,363
Total	$3,008,241,583	$3,078,989,298	$3,094,362,699	$3,092,666,641
Population of United States	86,666,000	86,784,000	86,903,000	87,021,000
Circulation per capita	$34.71	$35.48	$35.61	$95.54

for the eight months of $22,500,000. Expenditures, on the other hand, show an increase for the month of $11,000,000 and for the eight months of $45,000,000.

United States Public Debt.—There was an addition of nearly $8,000,000 to the net public debt in February, which is now over $900,000,000. Since December 1 last the debt has increased $26,000,000. The aggregate debt now exceeds $2,611,000,000, while the cash assets amount to $1,830,000,000. There are nearly $1,300,000,000 of certificates outstanding, against which the Government holds an equal amount of cash in

the Treasury. The surplus or net cash balance is $268,845,000.

Money in Circulation in the United States.—There was a reduction in the amount of money in circulation last month of about $1,700,000. Gold coin was reduced $7,000,000, while gold certificates were increased $22,000,000. Silver coin and certificates were reduced $13,000,000 and legal tender notes and bank notes $2,500,000.

Money in the United States Treasury.—Nearly $26,000,000 of money went into the Treasury in February while the certificates issued were increased $15,000,000, making an increase of $11,000,000 in the net cash. The Treasury lost $7,000,000 net gold, but added over $16,000,000 to its stock of silver coin.

Supply of Money in the United States.—The stock of money in the country increased about $9,500,000 in February, of which $7,000,000 was in gold and about $2,000,000 in fractional silver. The total supply is now nearly $3,390,000,000.

Money in the United States Treasury.

	Dec. 1, 1907.	*Jan. 1, 1908.*	*Feb. 1, 1908.*	*Mar. 1, 1908.*
Gold coin and bullion	$921,136,767	$955,957,320	$987,104,459	$1,002,044,417
Silver dollars	477,270,433	476,937,554	478,692,890	481,710,757
Subsidiary silver	3,221,533	4,650,135	10,816,738	16,075,711
United States notes	1,968,059	1,405,594	7,509,361	9,627,701
National bank notes	7,323,079	11,096,231	30,401,444	30,955,156
Total	$1,410,949,871	$1,450,046,834	$1,514,524,892	$1,540,413,742
Certificates and Treasury notes, 1890, outstanding	1,150,126,396	1,179,812,752	1,228,435,483	1,243,161,769
Net cash in Treasury	$260,823,475	$270,234,082	$286,089,409	$297,251,973

Supply of Money in the United States.

	Nov. 1, 1907.	*Dec. 1, 1907.*	*Jan. 1, 1908.*	*Feb. 1, 1908.*	*Mar. 1, 1908.*
Gold coin and bullion	$1,489,742,845	$1,561,714,719	$1,604,530,493	$1,628,600,555	$1,635,848,474
Silver dollars	568,249,982	568,249,982	568,249,982	568,249,982	568,249,982
Subsidiary silver	134,122,602	136,201,145	139,630,994	141,517,793	143,464,623
United States notes	346,681,016	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	609,980,466	656,218,196	690,130,895	695,402,762	695,674,519
Total	$3,148,776,911	$3,269,065,058	$3,349,223,380	$3,380,452,108	$3,389,918,614

DEMAND FOR BANK NOTES.

WHY there is a demand for the issue of credit bank notes may be understood by reading this, from an article by Charles M. Harger on "The Country Banker," in the February "Atlantic":

The country banker exerts his greatest influence on national finance during the crop-harvesting season. Whether it be in the gathering of fruit in California, of cotton in the South, or of wheat in the plains region, the banker comes in direct touch with the worker.

Take the wheat harvest, as covering the widest area and creating the most intense demand during its existence. In a single state twenty thousand harvesters are needed besides those already at work on the farms. Through the labor bureaus and railway departments whole trainloads of workers are secured from states at a distance. These helpers are mostly itinerants and they have no local standing. A grain raiser went among his laborers one Saturday night and asking their names, proceeded to make out checks for the week's work.

"What shall we do with them?" asked one.

"Cash them at the bank, of course."

"Who will identify us?"

The employer saw the point, tore up the checks, and secured currency with which to pay the men. That made a demand on the bank. Scores of other farmers were doing the same thing. Hundreds of other communities did it. The result is that the country bankers draw millions of dollars from the "reserve centers" every harvest and to some extent change national financial currents thereby.

BANKING AND FINANCIAL NOTES

NEW YORK CITY.

—The Knickerbocker Trust Company, which suspended in the October crisis, has been authorized to resume business under a plan providing for the payment of deposits in instalments.

—Peter Rado was recently elected cashier of the Northern Bank to take the place of Henry A. Belden, who resigned to accept a position with the Hamilton Bank.

—Henderson N. Wolf has accepted the office of second vice-president of the Corn Exchange Bank. He was formerly connected with the Fourth National Bank.

—The new trust company which was organized first as the Citizens Trust Company of New York has changed the name to the Sherman Trust Company, to avoid conflicts with the Citizens Trust Company of Brooklyn.

—Believing that his duties as president of the Corn Exchange Bank required more attention has caused W. A. Nash to resign as secretary of the Finance Committee of the Chamber of Commerce.

—Judge Alton B. Parker has received a handsome loving cup from the depositors' committee of the Hamilton Bank, in appreciation of his efforts to have the bank reopened.

—The Fourteenth Street Bank and the Nassau Bank were recently designated as state depositories.

—On February 15, the Lincoln Trust Company filed with the Secretary of State a certificate increasing its capital stock from $1,000,000 to $1,500,000. The increase has been approved.

—One of the most conspicuous features of the Williamsburg Bridge plaza is the tall granite building now completed and occupied by the Dime Savings Bank of the Eastern District. The bank was started more than fifty years ago and until recently was always located at Wythe avenue and Broadway. But the opening of the Williamsburg Bridge diverted trade from the foot of Broadway and caused the bank officials to seek a new location for its field of operation.

—The annual report of State Superintendent Williams, given out February 24, contains figures which are very flattering to the savings banks of the state. Despite the fact that there was a decrease of $18,936,-989 recorded in the market value of surplus invested in stocks and bonds, resources show an increase of $344,846, and deposits are also gaining rapidly. Other interesting points brought out were: the increase for the year of open accounts by 45,638; the amount due depositors increased by $18,-363,253; and the amount of interest paid and credited by $2,969,103.

—In a published statement to the Brooklyn Bank depositors, made February 24, Receiver Higgins announced that a settlement of 100 cents on the dollar was now possible and, if all went smoothly, a possible dividend of fifty per cent. by May 1.

—There is at the present time approximately $1,000,000,000 held in the United States Treasury, the greatest hoard of yellow metal that has ever been accumulated.

—At a meeting of the board of trustees of the Bowery Savings Bank held February 10, Henry A. Schenck was elected president, to fill the vacancy caused by the death of William H. S. Wood, which occurred in December last. At the same meeting William A. Nash was elected second vice-president, William M. Spackman

having been elected first vice-president at the annual meeting in January. William E. Knox was elected comptroller of the bank and Joseph G. Liddle secretary. Mr. Schenck, the newly elected president, has been comptroller of the bank for ten years, and was elected second vice-president on December 9 last to take the place of Robert B. Woodward, who had resigned. Mr. Schenck's long connection with the bank, and his thorough acquaintance with all its details, placed him in direct line for the presidency. The Bowery Savings Bank was established in the year 1834, and at the present time its deposits are approximately $100,000,000.

—On February 6 Warner V. Van Norden, president of the Van Norden Trust Company, was elected a directors of the Twelfth Ward Bank, in which he is a large stockholder. The Twelfth Ward Bank, which was closed during the October crisis, was the first institution to reopen its doors, and it was an advance of $600,000 cash made by Mr. Van Norden which made the reopening possible. The institution has been steadily gaining ever since.

—George H. Martin of Brooklyn, William A. MacCallum of Rochester and Chas. E. Johnson of Kingston have been appointed additional bank examiners by State Superintendent Williams.

—The council of administration of the New York State Bankers' Association met recently at the Union League Club and expressed itself as "unequivocally disapproving" the provisions of Senator Aldrich's currency bill.

—Stockholders of the First National Bank have been asked to give their assent to a plan whereby the First Security Company will be organized to acquire and hold real estate, securities, stock and other properties now owned by the First National. If the arrangements are carried out, the new institution will be capitalized at $10,000,000 and will handle all business which is out of the proper province of a bank. The six trustees to act as managers of the First Security Company, under the terms of this proposed agreement with the stockholders, include President George F. Baker, Vice-Presidents H. C. Fahnestock, F. L. Hine, Henry P. Davison and George F. Baker, Jr., and Cashier C. D. Backus. The directors are F. A. Baker, G. F. Baker, James A. Blair, Henry P. Davison, H. C. Fahnestock, James J. Hill, F. L. Hine, A. Curtis James, John J. Mitchell, William H. Moore, J. Pierpont Morgan and George F. Baker, Jr.

—In its thirty-second annual statement, published December 31, 1907, the Fidelity and Casualty Company presents some strong figures. The item of losses paid to date totals the enormous figure of $26,629,-131, and the surplus due to policyholders is $2,013,400.24. The company has enjoyed a prosperous year and incidentally increased its assets to $7,537,429.91.

—Speaking before the Economic Club at the Hotel Astor, February 5, Andrew Carnegie declared that our country has the worst banking system that any body of men could conceive of. Mr. Carnegie also said that until our circulating medium is founded upon trade bills with a reserve in gold, this country would never occupy the position to which it is entitled.

—At the directors' meeting of the National Surety Company, held February 6, Samuel H. Shriver, former secretary, was elected vice-president and comptroller, and David W. Armstrong, Jr., former assistant secretary, was elected secretary.

—George W. Adams, formerly cashier of the Oriental Bank, has been made an assistant cashier of the Chatham National Bank.

—James F. Alexander has been elected vice-president of the National Bank of Commerce.

—Wreckers have begun their work on the old Custom House, which is to give way for the erection of the new home for the National City Bank. The great colonnades of the Custom House will be preserved and built into the new structure. It will be of white marble, eight stories high, and have a double row of colonnades on the front, including the Custom House pillars now being taken down.

—Plans are said to be almost completed for reopening the New Amsterdam National Bank. According to the temporary receiver, the bank could pay 100 cents on the dollar. One plan in view is to take over the Times Square branch of the Mechanics and Traders' Bank, provided the latter reopens.

—Frederick H. Eaton, president of the American Car & Foundry Company, has been elected a director in the Seaboard National Bank.

—It is believed that there will be no serious opposition to the passage of the two bills introduced at the request of State Superintendent of Banks Clark Williams, providing for an increase of fifteen to twenty-five per cent. in the reserve of state banks and a fifteen per cent. reserve of trust companies on amounts subject to check, in cash.

—After a thorough examination of every branch of the Mechanics and Traders' Bank, the examiners report the capital unimpaired and a probable surplus of $31,000, after all deductions are made. The bank has on hand now enough cash to liquidate its Clearing-House indebtedness. Over sixty per cent. of the depositors have signed the deferred payment agreement, and things look hopeful for definite action soon.

—Senator Culberson of Texas has come forward with a bill commanding Secretary Cortelyou to investigate the use of Government funds by the New York banks during the recent flurry. The inquiry would do much to put at rest all complaints made by banks from the interior, if true, and, if not, to show things in their true form, thus fixing the blame somewhere. However, the inquiry is looked upon as being a mere matter of form, and, therefore, will cause no uneasiness.

—At the annual meeting of the Mercantile National Bank, the following changes were made in the directorate: A. J. Trussell succeeds J. H. Keohoe and W. L. Laws succeeds J. H. Sargeant. H. L. Cutter was elected to fill a vacancy on the board. The new president, succeeding Seth M. Milliken, is Willis G. Nash, at present cashier of the New York State National Bank at Albany. Miles M. O'Brien, vice-president of the Mercantile National Bank, says: "The election of the new board of directors means the entire elimination of the old Heinze-Morse-Thomas interests in the bank, and the institution is now upon a solid basis and should immediately respond to new conditions."

—J. Edward Swanstrom, who has been president of the Home Trust Company of Brooklyn for the past two years, has been succeeded by Frederick E. Gunnison, a member of the law firm of Harris, Corwin, Gunnison & Meyer. Mr. Swanstrom resigned at the beginning of the year and will again practice law.

—Group VIII. of the New York State Bankers' Association, from Brooklyn and Long Island, enjoyed a banquet at Hotel Clarendon, Brooklyn, February 19. Henry M. Randall, president of the association, made the opening address, the other speakers being Dr. Buckley, editor of the Chris-

tian Advocate, and ex-Senator Stephen M. Griswold.

NEW ENGLAND STATES.

—The City Savings Bank of Pittsfield, Mass., opened last month in elegant quarters, especially rebuilt to accommodate the increased business of the bank. The new fixtures include three large vaults furnished by the Mosler Safe Company of Boston, mahogany furniture with bronze trimmings and massive marble counters and pillars. The arrangement of the rooms is especially convenient, and the lighting facilities have also been carefully attended to. A department for women customers, so essential in the modern bank, has been provided, tastefully furnished with mahogany desks and chairs. These are the men who have made the securing of such an elegant home possible: President, Francis W. Rockwell; vice-presidents, Arthur W. Eaton, Arthur W. Plumb, Edgar P. Wood; treasurer, H. B. Wellington; secretary, J. Fred Kahl; auditor, A. E. Malcom.

—On February 10, an open meeting of Hartford (Conn.) public-spirited citizens was held for discussing the contemplated legislation on the currency question. The meeting convened at the rooms of the Board of Trade, and among other things expressed itself as fearful of the consequences of the Aldrich bill, should it pass.

—One of the finest buildings erected this year for banking purposes is one just completed for the Whitman (Mass.) National Bank and the Whitman Savings Bank. The National Bank occupies the north side of the building and the savings bank has quarters on the south side. Both rooms are similar in style and are finished in African mahogany, richly polished. An arched ceiling, bracketed to a center light or chandelier, gives a magnificent effect to the main counting room, and clearly shows the excellent taste used in designing the banks' new home.

—The Rhode Island Hospital Trust Company of Providence has made application to the Legislature for permission to increase its capital stock from $1,000,000 to an amount not exceeding $5,000,000, and also desires the repeal of a section of the incorporation act which provides for the payment of certain profits to the Rhode Island Hospital.

—All the deposits of the Prescott National Bank have been absorbed by the Union National Bank of Lowell, Mass., and the Prescott Bank will now go into liquidation. Its capital is $300,000.

—February 4 was the day set aside for the opening of the new building now occupied by the Springfield (Mass.) Institution for Savings, and it was the occasion for many congratulations to the officers of the bank from those who dropped in during the day. Splendid taste has been used in the interior decorations, and the result is harmonious and pleasing to the eye.

—It is possible that the stockholders of the First National Bank of Gloucester, Mass., will give their consent to a plan whereby the First National will be liquida-

ted and its affairs turned over to the Gloucester Safe Deposit and Trust Company for winding up. The bank is solvent, its shares being quoted at close to $150, but many of the largest stockholders are likewise shareholders in the Gloucester Safe Deposit and Trust Company.

—One of the most ornamental and well equipped bank buildings in the State of Connecticut has just been finished for the New Britain National Bank, New Britain, Conn. It is faced with gray pressed brick and Indiana limestone, and presents a novel appearance. Only the lower floor is used by the bank, the other floors being rented out as offices.

—The directors of the suspended Jewellers' National Bank of North Attleboro, Mass., have voted to form a new bank at once, with a capital stock of $100,000 and a paid-in surplus of $25,000. The name has not yet been selected, but it is understood that the word "Jewellers" will be incorporated as part of the title.

—There are now nineteen savings banks in Boston, with deposits amounting to $217,487,000, or 30.7 per cent. of the total deposits of the 189 savings banks in the state. During the year 1907, 36 per cent. of all cash held in Massachusetts savings banks was held by the savings banks of Boston.

—Enos Foster Cook, one of the original incorporators of the Amherst (Mass.) Savings Bank, has become president of his bank for the thirty-eighth time. The bank's deposits for its first year were $8,239; they are now $3,447,279.

EASTERN STATES.

—J. P. Dolliver of Iowa was one of the principal speakers at the annual dinner of the Pennsylvania Bankers' Association, which was given in Philadelphia at the Bellevue-Stratford, February 27. Many other notable bankers and prominent men were present, and William H. McElroy and Dr. Silas McBee, editor of the Churchman, both of New York, were among those who spoke.

—Robert J. Nelden, who was treasurer of the Paterson Savings Institution, Paterson, N. J., was recently made its president, to succeed John Reynolds, who has retired. Mr. Nelden has served his bank for many faithful years and will make a splendid president.

—Senator Stephen B. Elkins, of West Virginia, has resigned from the directorates of all of the banks and trust companies in which he has been interested. This action has included the relinquishment by him of all of his positions on the boards of directors in the half a dozen West Virginia banks in which he held stock and also his retirement from the directorate of the Continental Trust Company of Baltimore. The resignations took effect January 1, and were prompted by the fact that his duties as a United States Senator, as well as other business cares, made it impossible for him

to attend many of the directorate meetings.

—Edward W. Wood, of the National State Bank of Troy, N. Y., has received from the board of directors a handsome gold loving-cup, as a token of their appreciation for his half-century of devotion to the bank. The cup is a very handsome one and bears the following inscription: "Edward W. Wood from the Board of Directors of the National State Bank, Troy, N. Y. The appreciation of fifty years of faithful service completed. February 18, 1908."

—Depositors of the German Bank of Buffalo will receive soon another dividend of 3 1-3 per cent., the whole payment amounting to $135,000. This will make the total dividends paid, up to this time, about 70 per cent.

—Robert S. Donaldson, who has served for more than twenty years as secretary and treasurer of the Erie County Savings Bank of Buffalo, was elected president on February 5, to succeed the late David R. Morse. Mr. Donaldson started in this bank as an office boy and is now to enjoy the reward for his faithful services. Robert D. Young will succeed him as secretary and treasurer and S. B. Lee becomes assistant to Mr. Young.

—Thomas McIlhenny has been elected secretary of the Colonial Trust Company of Philadelphia, succeeding William K. Haupt, resigned.

—The Merchants' National Bank of Philadelphia is completing arrangements to move from its present quarters to the first floor of the Merchant and Mariner Building. This will be done, it is expected, in about three months.

—A. B. Crouch has been elected president of the Third National Bank of Baltimore, to succeed Captain R. M. Spedden, who recently resigned, and W. R. Hammond has been elected vice-president. Mr. Crouch was second vice-president of the bank.

—The National Newark Banking Company of Newark, N. J., is to occupy handsome new quarters on the ground floor of the Mutual Benefit Life Insurance building recently completed. All the fixtures and furnishings for the banking rooms are of the most approved design and make the quarters very convenient and attractive.

—Group Two of the Pennsylvania Bankers' Association, the membership of which is drawn from Montgomery, Chester, Delaware, Bucks, Berks and Schuylkill counties, held its annual meeting February 12 at the Hotel Walton, Philadelphia. Questions had previously been sent to many of those present and these were answered in short speeches followed by general discus-

sion. The longest speech made was that by President Eli S. Reinhold, on the topic, "Can Financial Panics Be Prevented?" In the course of his remarks, he said: "We are going to have panics from time to time until the forces of nature shall be absolutely uniform; until all legislation shall be wise; until the demagogue shall cease his activities; until men in places of trust shall be both good and wise—in other words, until the millennium dawns and the devil is dead. Panics are essential; they are nature's stop-signal to a particular period of business iniquity."

—On April 1, the American Bank, a new institution of Philadelphia, will open for business on the ground floor of the Howard Building, Broad and McKean streets.

—Robert B. MacMullin, treasurer of the Rittenhouse Trust Company of Philadelphia, has resigned his position to engage in the bond brokerage business.

—February 12, the Peoples Bank of California, Pa., reopened, having been closed since November 12 last. The following statement was given out by Receiver John C. McClain: "The closing of this bank was due entirely to the speculations of a trusted official. The impairment of the capital of the bank caused by these thefts has been made up by voluntary contributions of the stockholders, so that I can now assure depositors that their funds are well secured."

—Charles A. Porter, Jr., has been elected a director of the Holmesburg Trust Company of Philadelphia.

—Directors of the new Copley National Bank of Copley, Pa., have awarded the contract for a new bank building. The architect is Charles W. Grossart of Allentown, who has planned a very fine looking and substantial structure. It will be one story high. Work will be started at once, and the building is to be finished by May 1. The building will be constructed of cement blocks.

—A new institution, the Ocean County Trust Company of Tom's River, N. J., opened for business February 3, with these officers: President, George H. Holman; vice-presidents, James Minturn and A. C. B. Havens; cashier, William E. Simmons.

—Rufus D. Lingo is president of the First National Bank of Dagsborough, Del., recently organized. The bank is capitalized at $25,000, and its other officers are: E. A. Townsend and E. W. Grey, vice-presidents; William E. Chandler, cashier.

—Early in 1909, the Rochester German Insurance Building, occupied by the National Bank of Rochester, N. Y., is to be remodeled and enlarged. The improvements will take in adjoining property, and give the bank convenient and pleasant counting rooms.

—It is generally believed that W. B. Ridgely, Comptroller of the Currency, will accept the presidency of the reorganized

National Bank of Commerce of Kansas City, which suspended payment during the late financial stringency. Should Mr. Ridgely retire from his present office to become president of the Kansas City institution, he will be succeeded by Lawrence O. Murray, now assistant secretary of the Department of Commerce and Labor.

—Since its organization last March, the First Mortgage Guarantee and Trust Company of Philadelphia has conducted a banking department, and deposits had grown considerably. But this department has been eliminated and all depositors have received their checks and a notice of the action. "This was done," said Charles P. Sherman, treasurer of the institution, "because our company was organized primarily for the guaranteeing of mortgages and also because we did not wish to jeopardize the interests of those who became our patrons in that department by a liability for deposits in the banking department."

MIDDLE STATES.

—Charles H. Treat, Treasurer of the United States, was the guest February 8 of the members of the Cincinnati Bankers' Association at the Queen City Club, where the bankers hold their monthly meetings and enjoy a dinner before taking up questions of finance. Treasurer Treat delivered an address on "Currency," discussing various phases of the money question of particular interest to bankers.

—R. M. Mayes, who has been with the State Trust Company of St. Louis for several years, has accepted the cashiership of the First State Bank and Trust Company of Fort Worth, Texas. This is the first banking institution in Texas to incorporate under the new banking laws.

—At a recent meeting of the directors of the National Bank of the Republic at Chicago, James M. Hurst and William B. Lavinia were appointed assistant cashiers.

—E. D. Robb, who is cashier of the Hardin County State Bank at Eldora, Iowa, has been appointed bank examiner, to succeed John J. Spindler, who has been made cashier of the First National Bank at Council Bluffs, Iowa.

—The Illinois Trust Company of Chicago, which may be taken as fairly representing the state institutions there, will show $2,000,000 decrease in the deposits as compared with the January statement. However, most of the national banks in that city have gained in deposits, due to the accounts of country banks.

—Five additional directors have been elected by the stockholders of the Union Trust Company of Detroit. They are: Frank W. Blair, A. F. Edwards, George M. Black, Henry B. Ledyard and John S. Newberry.

—Group eleven of the Iowa Bankers' Association held its eleventh annual convention in Mt. Pleasant, Iowa, February 22. This association comprises the greater part of southeastern Iowa, and over a hundred bankers were in attendance. The address of welcome was given by Judge Withrow of Mt. Pleasant and responded to by Hon. D. McKee of Davenport, state bank inspector until recently. Other interesting speeches were made, followed by a general discussion of the main points brought up. An elaborate banquet was served in the evening at the Y. M. C. A. J. A. Dunlap of Keokuk has been president of group eleven for the past year.

—After directing the affairs of the Chariton (Iowa) National Bank for over thirty-five years, W. C. Penick, founder and president, has retired, in favor of H. D. Copeland.

—W. R. Kinnaird has resigned the cashiership of the First National Bank of McGregor, Iowa, after forty-seven years of continuous service in that capacity, and is succeeded by C. S. Richards. President Frank Larrabee, who served the bank for thirty years, has retired, and will be succeeded by Hon. Thomas Updegraff.

—Work on the National Bank of Commerce Building of Kansas City, Mo., is progressing rapidly, and the basement room is now ready for the Commerce Trust Company, which is to occupy it. The first floor is also nearly completed, and will be occupied by the reorganized National Bank of Commerce.

—Members of the St. Louis Clearing-House Association, met for the first time in their new quarters on the eighteenth floor of the Third National Bank's new building at Broadway and Olive street, January 21. The new suite of rooms is decorated in old English oak and upholstered black leather.

—A new bank building, complete in every respect, has been erected for the Boone (Iowa) National Bank and is now occupied by it. The structure is six stories high, equipped with an elevator, and with the exception of the lower floor used as an office building.

—An imposing structure was recently completed for the National Bank of Merrill, Wis., which is said to be one of the finest bank homes to be found in northern Wisconsin. Four massive columns give a dignity to the exterior, which is of the Ionic style of architecture, while the interior is elegantly finished and arranged for the transaction of banking.

—A well-known and highly esteemed citizen of Chicago, Charles Detrick, has moved into a new building at 5056 South Halsted street, especially erected for his banking business. In the last few years, through conservative methods, Mr. Detrick has built up a large banking business in connection with his real estate and mortgage interests. The new quarters are a model of elegance and convenience, and all the appointments are in keeping with the requirements of a first class institution.

—The Live Stock Exchange National Bank, capitalized at $1,250,000, has succeeded the National Live Stock Bank of Chicago. No change will occur in the management of the bank, with the exception of the election of J. Ogden Armour to the directorate.

—Consolidation of the American Trust and Savings Bank and the Hibernian Banking Association of Chicago is in contemplation by officers of the two institutions. Negotiations looking toward a merger have been on for several weeks and are said to be now practically completed. The contemplated merger, which would bring to the consolidated banks a combined deposit account of $43,000,000 and a combined capital of $4,500,000, would make the new institution one of the largest in Chicago.

—In a strongly worded letter to its correspondents the State Savings, Loan and Trust Company of Quincy, Ill., gives a re-

view of its condition throughout the recent panic, giving all the credit for its splendid condition to the confidence of depositors. The bank, which has a capital and undivided profits of $800,000, passed through the panic of 1907 without changing its methods of meeting demands made upon it, and also extended material aid to country bank depositors who appealed for loans.

—Directors and stockholders of the Croghan Bank, Fremont, O., met in regular session February 1 and elected officers for the ensuing year. They are: President, A. E. Rice; vice-presidents, W. E. Proctor and F. H. Dorr; cashier, John C. Bolinger; assistant cashier, Clarence W. Cox. A dividend of four per cent. was declared, which, with a previous dividend, made eight per cent. the stockholders had received during the past year. It is expected that the next regular meeting will be held in the new building, to be completed this month.

—One of the best year-end statements published by any bank in the country was that of the Fifth National Bank of Cincinnati in a report for December 3. The bank showed on that date resources of $10,935,504.45 and deposits amounting to $7,975,373.48. This was an increase of $164,167.14 in deposits over the statement of August 22, all the more remarkable since the increase came during the tightness of money.

—One of the finest bank homes in the middle West is completed for the Third National of St. Louis and the bank will shortly occupy its new quarters. The general arrangement of the main floor is a center-lobby scheme, which gives an excellent vista and a large and commodious lobby. The floor is of marble tiles, laid in elaborate designs and all the counters are of cream colored marble. Many new features, not usually found in banks, are here installed for the convenient transaction of business. Among the improvements referred to is a telautograph system, by which messages can be interchanged in the original handwriting, saving much valuable time. A complete pneumatic system is also in use by which checks and items pass from one department to another.

SOUTHERN STATES.

—Depositors of the Neal Bank of Atlanta, Ga., are to receive their first dividend from the receiver within the next two or three weeks, according to reports given out by the receiver's counsel. The bank failed last December and has encountered many obstacles to a speedy settlement, one being that many assets are not yet due and cannot be collected for six months or more. It is thought the dividend may be as high as 25 per cent., which may be followed by another in three months.

—The New Farley National Bank of Montgomery, Ala., is entering upon the second year of its existence with bright prospects for becoming one of the strongest banks in the South. At a recent election held by the directors of the bank, John J. Flowers, assistant cashier, was advanced to the office of cashier, to succeed L. Warren Tyson, resigned. At the same meeting James E. Hickey was elected to membership on the board of directors in place of Mr. Tyson, and Mitchell A. Vincentelli was made auditor of the bank. On January 25, the office of second vice-president was created, and a few days later Sylvain Baum, until recently cashier of the Exchange National Bank of Montgomery, was elected to that office. Mr. Baum comes of an excellent family, well informed in all departments of banking work, and will be a great source of strength to the institution he is to serve. He was formerly discount teller of the old Farley National Bank and afterwards with the consolidated bank, namely: The Merchants and Planters—Farley National Bank, and from that position was elected as cashier of the Union Bank and Trust Company and the Exchange National Bank of Montgomery.

—John D. Rockefeller was the central figure at a reception given by the Planters'

Loan and Savings Bank of Augusta, Ga., in celebration of the opening of its new building, held February 20. Bright new pennies, encircled with aluminum, stamped with the inscription, "Save me and you will never go broke," were distributed as souvenirs, each guest, including Mr. Rockefeller, leaving the bank richer by one cent than when he came.

—The Fourth District Bankers' Association convened at Corsicana, Texas, February 20, and elected P. L. Downs of Temple, Texas, president, and J. W. Batlett of Clifton, secretary of the association.

—R. S. Sterling & Company have taken over the private banking interests of George W. Armstrong & Company of Sour Lake, Texas, including the Batson, Saratoga and Sour Lake banks. The Sour Lake banking interests of George W. Armstrong & Company remaining are: the First National Bank of Sour Lake, Dennis Call's bank and the Sour Lake National Bank, institutions that were launched at Sour Lake during the boom days.

—A consolidation of the Charlotte (N. C.) National Bank and the Charlotte Trust Company has taken place, and the new institution, the Charlotte National, will have a capital of $250,000. The new officers are: B. D. Heath, president; John M. Scott, vice-president; W. H. Twitty, cashier.

—One of the oldest banks in the cotton states, the Atlanta National of Atlanta, Ga., is to increase its capital to $1,000,000 and its surplus and profits to $825,000. Its present capital is $500,000, with $700,000 surplus and undivided profits. Founded in 1865 by General Alfred Austell, the bank has never been surpassed by any of its competitors in the preservation of high banking ideals and the attainment of material success.

—Arrangements have almost been completed for converting the Maddox-Rucker Banking Company of Atlanta into a national bank, to be known as the American National Bank. The new bank will begin business with a capital of $600,000 and a surplus of more than $400,000, and with the same officers as now direct the affairs of the Maddox-Rucker Banking Company. The details of the conversion are now being arranged by the officers of the new bank with the Comptroller of the Currency at Washington, and the change will be completed within a few weeks.

—The Bank of Elba, Pittsylvania County, Virginia, has erected a modern brick building for the accommodation of its growing business. Located at a junction of two lines of the Southern Railroad, it bids fair to become a commercial center in the near future.

—Special invitations were issued by the Canal-Louisiana Bank and Trust Company of New Orleans to attend the opening of its new bank building, February 3. Many friends of the institution were shown through the building during the day, and all were pleased with the taste used in furnishing the different departments.

—At a recent directors' meeting held by the First National Bank of Baton Rouge, La., these officers were elected: President, D. M. Reymond; vice-president, W. P. Connell; cashier, T. B. Williams.

—It has been decided by the People's Bank of Anderson, S. C., to increase the capital stock from $100,000 to $250,000.

—Plans are being discussed as to the advisability of establishing a cotton planters' bank in Birmingham, Ala., for the better protection of cotton producers who hold their crops for higher prices. At present there are 80,000 members of the Farmers' Union throughout the state, and the number is constantly increasing. Secretary E. J. Cook of the union has said that the bank, if organized, would do an immense amount of good and is bound to be successful.

—The Simmons National Bank of Pine Bluff, Ark., which enjoys the distinction of being the only national bank in the county, is rapidly advancing to the front. Its capital was increased from $100,000 to $200,000 last March and alterations are now being made on the banking rooms, which will make them as convenient and handsome as any in the state.

—The People's Bank of Benton, Ark., which was established in 1903 with an authorized capital of $50,000, was recently reorganized and will erect a handsome bank

home this spring, adequately equipped for its growing business. Its new officers are: J. W. Walton, president; W. J. Brouse, vice-president, and J. F. Lee, cashier.

—Another vacancy has occurred in the official board of the Capital Bank and Trust Company, Austin, Texas, due to the promotion of Cashier Hume to the presidency of that institution. No successor has yet been named to succeed Mr. Hume as cashier.

WESTERN STATES.

—All the business of the Porter National Bank of Porter, Okla., has been taken over by the First National Bank of that city, and affairs of the former will be liquidated at once.

—The Arkansas State Bankers' Convention will be held at Hot Springs, May 12 and 13.

—M. N. Neary is cashier of the First National Bank of Libby, Mont., a new institution which will open for business about April 1.

—The State Savings Bank of Butte, Mont., resumed business last month in substantial new quarters, with every prospect for future success. Several new men have been added to the official board, and these men are expected to protect the interests of bank's depositors and restore confidence to those who have feared they would lose their money.

—Two well-known banks of the Southwest, the City National and First National of Muskogee, Okla., have consolidated under the name of the First National Bank of Muskogee. This institution is the oldest banking house in the state and by securing the City National's assets becomes the strongest.

—Group one, Oklahoma Bankers' Association, met at Lawton, Saturday, February 22, and held two very interesting sessions that day. Many able speeches were delivered to interested listeners, and the convention was a success in every way.

PACIFIC STATES.

—After four years of success and growth, the Commercial Bank of Los Angeles has leased new quarters in the Angelus Hotel Building and is now occupying them. The rooms are finished in the finest of white marble, and all fixtures are of the most approved pattern that money can procure.

—Contracts have been let for remodeling the Farmers and Merchants' Bank Building of Hollister, Cali., and no expense is to be spared to make everything up to date. The interior will be enlarged by taking in part of an adjoining building, and other needed changes are contemplated.

—On February 12, the Oregon Trust and Savings Bank of Portland reopened under the name of the German-American Bank, with which it is merged. Its capital is $400,-000.

—Stockholders of the First Bank of Katalla, Alaska, met recently in Seattle, Wash., and elected the following trustees, who, in turn elected officers as designated: John Schram, president; T. S. Lippy and Clark Davis, vice-presidents; W. G. Smith, cashier; H. R. Harriman, secretary; other trustees, John E. Price and James Campbell.

—At the annual meeting of the National Bank of the Pacific of San Francisco, held February 3, the following directors were elected for the ensuing year: Charles Webb Howard, William P. Plummer, Zoeth S. Eldredge, Charles W. Slack, M. J. Hynes. The new board met immediately after the adjournment of the stockholders' meeting and elected the following officers: Zoeth S. Eldredge, president; M. J. Hynes, cashier; Paul E. Mertz, assistant cashier.

—The Market Street Bank of San Francisco, at the corner of Seventh and Market streets, did not open its doors on February 21. It had deposits amounting to $1,132,-206, and is said to be absolutely solvent. Officials are assuring its patrons of a speedy resumption of business.

—Stockholders of the First National Bank of Waitsburg, Wash., have approved plans for the erection of a two-story bank building in that city, to be constructed of pressed brick or cement blocks. Officers of the First National for the ensuing year are:

President, Lewis Neace; vice-president, J. W. Morgan; cashier, W. G. Shuham; directors, Lewis Neace, Levi Ankeny, W. G. Preston, J. W. Morgan, T. J. Hollowell, P. W. Preston, G. M. Lloyd and W. B. Shaffer.

—After exhausting its capital stock of $27,500 in meeting withdrawals made upon it since last October, the Bank of Greater San Francisco, Cal., has closed its doors. A December statement showed that its deposits had shrunk from $60,000 to $38,963, which crippled the institution until it could not bear up longer. C. H. Pool was president.

—Native stone has been used in the construction of the Harney County National Bank's new building at Burns, Oregon. The interior of the banking rooms are admirably finished, with a view to comfort and beauty.

—The thirteenth annual convention of the Washington Bankers' Association will be held at North Yakima, Wash., June 18, 19 and 20. Quite an interesting program is being prepared and an effort will be made to secure George W. Allen of New York, secretary of the American Institute of Banking Men, for an address on the work of the institute.

—An eight per cent. dividend on the capital stock has been declared by the Farmers' State Bank of Colfax, Wash., and placed the sum of $5,000 in its surplus fund.

—An elegantly furnished bank building has been completed for the Monterey County Bank of Salinas, Cal. Brazilian mahogany and marble have been used in the furniture and counters of the counting rooms, giving an air of richness to the interior. The building is steam-heated throughout, and lighted by electricity.

—San Francisco banks which enjoy the privileges of the clearing-house will henceforth be examined from time to time by an official examiner to be appointed by the San Francisco Clearing-House Association. The examination will apply not only to the eighteen banks which hold membership in the association, but also to other banks whose checks are cleared through members. The reports of the examiner will be filed at the Clearing-House, and will be accessible to the members of the association.

—Two hundred thousand dollars is to be added to the capital stock of the Spokane (Wash.) & Eastern Trust Company as soon as the necessary formalities can be carried out, thus making the institution a $500,000 bank, including the $200,000 surplus. The increase in capital will be from $100,000 to $300,000, while most of the new issue will be taken up by stockholders of record; new business interests may be admitted.

CANADA.

—Active work probably will begin on the new Dominion Bank building in Windsor, Ontario, within a week or two. A wall is to be built separating that portion of the building occupied by the bank from the International Hotel. Then the tearing down of the old and putting up of the new will begin. The new building will be a three-story structure with a pressed brick front. The basement will be fitted with safety deposit vaults.

—Canadian banks now have 1,884 branches, distributed as follows: In Canada, 1,838; Newfoundland, 5; elsewhere, 41.

—Application to the present session of the Parliament has been made by the Northern Bank for an act to change its name to the Northern Crown Bank, and sanctioning the seventh clause of the merger agreement between the Northern Bank and the Crown Bank of Canada.

—A branch of the Home Bank of Canada has been opened at London, Ontario, under the management of Mr. F. C. Kain, in the premises recently occupied by the Sovereign Bank. A number of the staff of the latter institution have been engaged by the Home Bank.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report.

Applications to Organize National Banks Approved.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

Barnett National Bank, Jacksonville, Fla., by Bion H. Barnett, et al.
National Bank, Arendtsville, Pa., by H. P. Mark, et al.
Home National Bank, Stanton, Tex., by Chas. Ebbersol, et al.
First National Bank, Stephen, Minn., by H. I. Yetter, et al.
First National Bank, Clinton, Ky., by C. V. Heaslet, et al.
First National Bank, Factoryville, Pa., by A. B. Fitch, et al.
Northwestern National Bank, Bellingham, Wash., by C. K. McMillan, et al.
National Farmers Bank, Warren, Ill., by R. C. Cullen, et al.
First National Bank, Milton, Oreg., by J. L. Elam, et al.
City National Bank, Green City, Mo., by H. B. Hill, et al.
First National Bank, Ambia, Ind., by Oakley Bright, et al.
First National Bank, Union Bridge, Md., by Edw. F. Olmstead, et al.
Third National Bank, Walla Walla, Wash., by Jno. H. Pedigo, et al.
First National Bank, Inglewood, Cal., by C. H. Brown, et al.
First National Bank, West Milton, O., by Robt. W. Douglas, et al.
Citizens National Bank, Julesburg, Colo., by L. E. Loveland, et al.
Peoples National Bank, Beckley, W. Va., by B. E. Vaughan, et al.
First National Bank, Diagonal, Ia., by E. T. Dufur, et al.
First National Bank, Waterford, Pa., by M. A. Patten, et al.
England National Bank, Little Rock, Ark., by J. E. England, et al.
First National Bank, Pentwater, Mich., by G. W. Harvey, et al.
East Worcester National Bank, East Worcester, N. Y., by James E. Dante, et al.
First National Bank, Etowah, Tenn., by T. F. Peck, et al.
Holland National Bank, Holland, Ind., by Joel Bailey, et al.
First National Bank, Brewster, Wash., by L. L. Work, et al.
Fallon National Bank, Fallon, Nev., by Harry A. Pinger, et al.
First National Bank, Corinth, Miss., by Mark T. Bynum, et al.
First National Bank, Ellinwood, Kans., by E. R. Moses, et al.
Capital National Bank of Idaho, Boise, Ida., by Geo. D. Ellis, et al.
First National Bank, Washingtonville, N. Y., by Thos. Fulton, et al.
First National Bank, Bonner Springs, Kans., by Lewis Kreeck, et al.
First National Bank, Fallon, Neb., by Volney B. Leonard, et al.
First National Bank, Westport, Ind., by John S. Morris, et al.
National City Bank, Memphis, Tenn., by H. H. Crosby, et al.
Farmers National Bank, Windsor, Colo., (P. O. New Windsor), by J. N. Akey, et al.
Farmers National Bank, Richland, Mich., by W. C. Whitney, et al.

Application for Conversion to National Banks Approved.

Maddox-Rucker Banking Co., Atlanta, Ga.; into American National Bank.
Farmers & Merchants Bank, Fort Branch, Ind.; into Farmers & Merchants National Bank.
Aurora State Bank, Aurora, Neb.; into Aurora National Bank.

Bank of Kinston, Kinston, N. C.; into National Bank of Kinston.
Citizens Bank of Kinston, Kinston, N. C.; into First National Bank.
Commercial and Farmers Bank, Raleigh, N. C.; into Commercial National Bank.
Peoples Bank & Trust Co., Salisbury, N. C.; into People's National Bank.
Commercial Bank, Camden, S. C.; into First National Bank.
Bank of Leesville, Leesville, S. C.; into National Bank of Leesville.
Washington State Bank, Ellinsburg, Wash.; into Washington National Bank.
Farmers & Merchants Bank, Lind, Wash.; into First National Bank.
German-American State Bank, Quincy, Wash.; into First National Bank.
Bank of Washtucna, Washtucna, Wash.; into First National Bank.
German-American Bank, St. Joseph, Mo.; into German-American National Bank.
First State Bank, Marion, N. D.; into First National Bank.

National Banks Organized.

9005—First National Bank, Sharon, N. D.; capital, $25,000; Pres., A. Curry; Vice-Pres., Iva K. Bakken; Cashier, T. S. Hunt; Asst. Cashier, P. H. Gilbertson. Conversion of Sharon State Bank.
9006—Harrison National Bank, Rosedale, Ind.; capital, $25,000; Pres., J. H. Harrison; Vice-Pres., Thos. Conley; Cashier, O. S. Harrison; Asst. Cashier, J. E. Harshbarger.
9007—Peoples National Bank, Pensacola, Fla.; capital, $100,000; Pres., J. S. Reese; Vice-Pres., R. M. Cary; Cashier, J. W. Dorr; Asst. Cashier, Wm. R. Quina. Conversion of Peoples Bank.
9008—Alfalfa County National Bank, Cherokee, Okla.; capital, $25,000; Pres., Ira A. Hill; Vice-Pres., S. B. McFadden; Cashier, H. B. Kliewer; Asst. Cashier, Van Lee Hood.
9009—First National Bank, Carbondale, Colo.; capital, $25,000; Pres., W. M. Dinkel; Vice-pres's., O. Holland and James T. Dalton; Cashier, D. W. Shores.
9010—Live Stock Exchange National Bank, Chicago, Ill.; (Succeeds National Live Stock Bank); capital, $1,250,000; Pres., S. R. Flynn; Vice-Pres., G. A. Ryther; Cashier, G. F. Emery.
9011—Eastman National Bank, Newkirk, Okla.; capital, $50,000; Pres., E. B. Eastman; Vice-Pres., C. A. Eastman; Cashier, J. S. Eastman; Asst. Cashier, F. E. Eastman. Conversion of Bank of Santa Fe.
9012—First National Bank, Wytheville, Va.; capital, $50,000; Pres., S. R. Sayers; Vice-Pres., J. H. McGavock; Cashier, C. W. Gleaves. Conversion of Bank of Wytheville.
9013—First National Bank of Eagle County, Eagle, Colo.; capital, $25,000; Pres., J. H. Fesler; Vice-Pres., Frank Doll; Cashier, Louis Schwarz; Asst. Cashier, Arthur A. Tandy.
9014—First National Bank, Cambridge, Ia.; capital, $25,000; Pres., E. P. Healy; Vice-Pres., T. B. Erwin; Cashier, Robert F. Erwin.
9015—First National Bank, Northboro, Ia.; capital, $25,000; Pres., H. J. Scott; Vice-Pres., A. Harris; Cashier, J. R. Harris; Asst. Cashier, H. H. Harris.
9016—First National Bank, Glen Ullin, N. D.; capital, $25,000; Pres., P. B. Wickham; Vice-Pres., H. H. Wickham; Cashier, Chas. Waechter; Asst. Cashiers, A. B. Hageman and O. H. Kuhl. Conversion of Glen Ullin State Bank.
9017—First National Bank, Story City, Ia.; capital, $25,000; Pres., H. T. Henryson; Vice-Pres., A. M. Henderson; Cashier, T. T. Henryson. Conversion of First Savings Bank.
9018—First National Bank, Kanawha, Ia.; capital, $25,000; Pres., J. E. Wichman; Vice-Pres., O. T. Rikansrud; Cashier, F. L. Bush; Asst. Cashier, L. D. Perisho. Conversion of State Savings Bank.
9019—National Bank, Fredonia, N. Y.; capital, $50,000; Pres., Thos. Moran; Vice-Pres's., R. Butcher and F. C. F. Sievert; Cashier, A. P. Chessman; Asst. Cashier, R. R. Newton. Conversion of Bank of Fredonia.
9020—First National Bank, Boyne City, Mich.; capital, $50,000; Pres., W. H. White; Vice-Pres's., W. S. Shaw and C. Curtis; Cashier, S. C. Smith; Asst. Cashier, R. W. Wigle. Conversion of Boyne City State Bank.
9021—United States National Bank, Salem, Oreg.; capital $100,000; Pres., J. P. Rogers; Vice-Pres., G. W. Eyre; Cashier, E. W. Hazard; Asst. Cashier, D. W. Eyre. Conversion of Salem State Bank.
9022—First National Bank, Newark, Ark.; capital, $25,000; Pres., C. M. Edwards; Vice-Pres., J. P. Magness; Cashier, E. B. Chesser. Conversion of Bank of Newark.
9023—Muskogee National Bank, Muskogee, Okla.; capital, $100,000; Pres., A. W. Patterson; Vice-Pres. and Cashier, A. C. Trumbo; Asst. Cashiers, J. M. Stout and J. M. Knowlton.
9024—Lucas County National Bank, Chariton, Ia.; capital, $50,000; Pres., Samuel McKlveen; Vice-Pres., W. A. Eikenberry; Cashier, L. H. Busselle; Asst. Cashier, E. P. Copeland.
9025—Albion National Bank, Albion, Ill.; capital, $25,000; Pres., T. B. Mitchell; Vice-Pres., W. H. Brosman; Cashier, Sam A. Ziegler.
9026—Brownstown National Bank, Brownstown, Pa.; capital, $25,000; Pres., A. V. Walter; Vice-Pres's., Jno. F. Girvin, E. S. Moore and W. W. Buch; Cashier, J. H. Wolf.
9027—First National Bank of Polk County, Copperhill, Tenn.; capital, $25,000; Pres., Fred'k. Lewisohn; Vice-Pres., B. B. Gottsberger; Cashier, M. C. King; Asst. Cashier, Boon Crawford.
9028—First National Bank, Hamburg, Pa.; capital, $25,000; Pres., J. S. Hepner; Vice-Pres's., Geo. B. Miller, E. Naftzinger and J. L. Wagner; Cashier, H. R. Shollenberger.

9029—City National Bank, Green City, Mo.; capital, $25,000; Pres., E. S. Pfeiffer; Vice-Pres., R. S. Taylor; Cashier, H. B. Hill; Asst. Cashier, C. B. Davis.
9030—First National Bank, Medical Lake, Wash.; capital, $25,000; Pres., W. R. Cunningham, Jr.; Cashier, B. W. Hughes. Conversion of Medical Lake State Bank.
9031—First National Bank, Mabel, Minn.; capital, $25,000; Pres., E. L. Tollefson; Vice-Pres., J. C. White; Cashier, A. L. Tollefson.
9032—First National Bank, Mulhall, Okla.; capital, $25,000; Pres. G. W. Burford; Vice-Pres., H. C. Burford; Cashier, G. E. Burford; Asst. Cashier, W. M. Champion.
9033—National Bank, Adrian, Minn.; capital, $25,000; Pres., J. R. Jones; Vice-Pres., J. C. Becker; Cashier, Jno. R. Jones.
9034—First National Bank, Coopersburg, Pa.; capital, $25,000; Pres., James T. Blank; Vice-Pres., Henry T. Trumbauer; Cashier, R. D. Barron.
9035—First National Bank, Fort Myers, Fla.; capital, $50,000; Pres., W. G. Langford; Vice-Pres., W. H. Towles; Cashier, C. C. Pursley. Conversion of Lee County Bank.
9036—Lamar National Bank, Lamar, Colo.; capital, $50,000; Pres., M. Strain; Vice-Pres., B. T. McClave; Cashier, L. F. Adams; Asst. Cashier, R. E. Adams.
9037—England National Bank, Little Rock, Ark.; capital; $100,000; Pres., J. E. England; Vice-Pres., J. Niemeyer; Cashier, J. E. England, Jr. Conversion of England Bank.

9038—People's National Bank, Beckley, W. Va.; capital, $50,000; Pres., B. E. Vaughan; Vice-Pres., E. L. Ellison; Cashier, W. C. Firebaugh; Asst. Cashier, G. C. Hedrick.
9039—First National Bank, Jefferson, Ga.; capital, $25,000; Pres., H. I. Mobley; Vice-Pres., W. C. Smith; Cashier, A. C. Appleby; Asst. Cashier, Meda Appleby. Conversion of Merchants & Farmers' Bank.
9040—First National Bank, Pontotoc, Miss.; capital, $50,000; Pres., J. H. Salmon; Vice-Pres., L. A. Latham; Cashier, W. A. Boone; Asst. Cashier, D. W. Knox. Conversion of Merchants & Farmers Bank, with branch at Ecru.
9041—First National Bank, Philadelphia, Miss.; capital, $50,000; Cashier, J. W. Gaulding.

NEW STATE BANKS, BANKERS, ETC.

ARKANSAS.

Portland—Peoples Bank; capital, $25,000; Pres., J. C. Bain; Vice-Pres., E. J. Comak; Cashier, R. E. Brown.
Tinsman—Bank of Tinsman; capital, $10,000; Pres., D. W. Bass; Vice-Pres., W. R. Reddin; Cashier, W. R. Watson.

COLORADO.

Arriba—Lincoln State Bank (succeeded Lincoln Bank); capital, $5,000; Pres., Jno. Boyden; Vice-Pres., Geo. W. Jarvis; Cashier, S. F. Boyden.
Denver—State Mercantile Bank (succeeded Elwell Bank); capital, $20,000; Pres., E. W. Elwell; Vice-Pres., M. J. Reed; Cashier, M. B. Wiley.
Towner—Peoples State Bank (succeeded Peoples Exchange Bank); capital, $10,000; Pres. R. B. Christy; Vice-Pres., A. S. Christy; Cashier, I. S. Ritchey; Asst. Cashier, M. E. Christy.

FLORIDA.

Panama City—Bank of Panama City; capital, $15,000; Pres., G. M. West; Vice-Pres., W. H. Milton; Cashier, R. L. McKenzie.

GEORGIA.

Mitchell—Bank of Mitchell; capital, $25,000; Pres., O. L. Kelly; Cashier, T. L. Kitchens.

IDAHO.

Filer—Filer State Bank; capital, $10,000; Pres., Geo. L. Crocker; Vice-Pres., F. S. Hayward; Cashier, F. E. Allen.

IOWA.

Atlantic—Whitney Bank; Pres., J. G. Whitney; Vice-Pres., T. H. Whitney; Cashier, H. B. Cavenaugh.
Cedar Falls—Security Savings Bank; capital, $50,000; Pres., Geo. S. Mornin; Vice-Pres., D. Bennison; Cashier F. W. Paulger; Asst. Cashier, Leo H. Paulger.
Palmyra—Bank of Palmyra; capital, $15,000; Pres., Wm. Buxton, Jr.; Vice-Pres., Wm. Buxton, Sr.; Cashier, W. W. Grant.
Voorhies—Farmers Bank (branch of Traer State Bank); Vice-Pres., W. G. McCormack; Cashier, F. H. Hoeppner.

KANSAS.

Ellinwood—Peoples State Bank; capital, $25,000; Pres., J. H. S. Bosse; Vice-Pres., N. W. Klepper; Cashier, D. C. Johnson; Asst. Cashier, Chas. Mellies.

MAINE.

Wilton—Wilton Branch of Livermore Falls Trust & Banking Co.; Mgr., E. H. Morison.

MICHIGAN.

Crump—Crump Bank; capital, $10,000; Pres., W. S. Fotheringham; Cashier, J. Anderson.

MINNESOTA.

Caledonia—Sprague State Bank (succeeded Bank of Caledonia); capital, $25,000, Cashier, R. D. Sprague; Asst. Cashier, D. C. Merlo.
Clitherall—First State Bank (Succeeded Bank of Clitherall); capital, $10,000; Pres., Isaac Hazlett; Vice-Pres., J. J. Meyer; Cashier, L. M. Clark; Asst. Cashier, H. E. Robbin.
Fountain—First State Bank (Succeeded Bank of Fountain); capital, $15,000; Pres., C. A. Moody; Vice-Pres., W. H. Stone; Cashier, F. E. Finch.
Lucan—Lucan State Bank (Succeeded Redwood Co. Bank); capital, $10,000; Pres., F. W. Stevens; Vice-Pres., A. Schmid; Cashier, P. M. Dickerson.
Royalton—State Bank (Succeeded Bank of Royalton); capital, $10,000; Pres., A. H.

Havill; Vice-Pres., Stephen Schwartz; Cashier, H. J. Schwartz; Asst. Cashier, J. D. McDougall.

MISSISSIPPI.

Cleveland—Cleveland State Bank; capital, $20,000; Pres., E. H. Moore; Vice-Pres., T. I. Sanders; Cashier, Edgar Brown.

MISSOURI.

Bloodland—Bank of Bloodland; capital, $6,000; Pres., Geo. H. Jasper; Vice-Pres., Bird Kinnaird; Cashier, W. R. Wingo; Asst. Cashier, S. E. Jasper.

Milo—Bank of Milo; capital, $5,000; Pres., H. H. Briggs; Vice-Pres., A. J. Earl; Cashier, J. H. Harrington.

NORTH DAKOTA.

La Moure—La Moure State Bank; capital, $15,000; Pres., C. H. Porter; Vice-Pres., H. G. Robertson; Cashier, F. P. Bennett.

OHIO.

Bridgeport—Bridgeport Bank & Trust Co.; capital, $50,000; Pres., C. A. Robinson; Vice-Pres., J. C. Heinlein.

OKLAHOMA.

Blue Jacket—Blue Jacket State Bank (Succeeded Bank of Blue Jacket); capital, $10,000; Pres., W. H. Condon; Vice-Pres., D. A. Wilson; Cashier, G. J. Hopson; Asst. Cashier, Flora A. Shoe.

Council Hill—Citizens State Bank (Succeeded First International Bank & Trust Co.); capital, $10,000; Pres., Henry Sump, Sr.; Vice-Pres., N. A. Gibson; Cashier, Otto E. Sump.

Hartshorn—First State Bank (Succeeded Bank of Hartshorn); capital, $20,000; Pres., C. S. Wingat; Vice-Pres., J. H. Baker; Cashier, B. C. Sims.

SOUTH CAROLINA.

Union—Citizens Savings Bank; capital, $25,000; Pres., J. T. Douglas; Vice-Pres., R. P. Morgan; Cashier, H. B. O'Shields.

TENNESSEE.

Mount Pelia—Mount Pelia Bank; capital $1,500; Pres., E. C. Jackson; Vice-Pres., James Avery; Cashier, C. C. Cooper.

TEXAS.

Port Lavaca—Port Lavaca State Bank; capital, $15,000; Pres., W. A. Shofner; Vice-Pres., W. C. Best; Cashier, W. F. Hollamon.

WASHINGTON.

Touchet—Parker & Renn; capital, $10,000; Pres., F. W. Parker; Cashier, O. L. Renn; Asst. Cashier, R. C. Parker.

WISCONSIN.

North Prairie—State Bank; capital, $10,000; Pres., M. H. Williams; Vice-Pres., H. Hurst; Cashier, G. J. Evarts.

Ridgeway—Ridgeway State Bank; capital, $10,000; Pres., James Laughlin; Vice-President, Thos. Paull; Cashier, J. T. Paull.

WYOMING.

Thermopolis—Thermopolis State Bank; capital, $25,000; Pres., C. W. Ford; Vice-Pres., Jno. A. Thompson; Cashier, W. C. Ford.

CANADA.

ONTARIO.

Exeter—Canadian Bank of Commerce; Mgr., Joseph Snell.

Thedford—Canadian Bank of Commerce; Mgr., J. Fuller.

SASKATCHEWAN.

Kinistino—Canadian Bank of Commerce, closed.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

Birmingham—First National Bank; Thos. Hopkins, Cashier, in place of J. H. Barr.

Camden—Camden National Bank; R. D. Liddell, Cashier, in place of Jno. Miller.

Decatur—First National Bank; Wm. A. Frost, Jr., Asst. Cashier, in place of E. I. Hitt.

Dothan—Third National Bank; W. F. Newton, Vice-Pres.

Eutaw—First National Bank; R. W. Barnes, Asst. Cashier.

Gadsden—First National Bank; S. McGaughy, Vice-Pres., in place of J. R. Palmer; N. L. Green, Asst. Cashier.

Hartford—First National Bank; Fox Lightfoot, Asst. Cashier.

Hartselle—First National Bank; S. E. Stewart, Pres., in place of J. S. Mitchell.

Linden—First National Bank; R. G. Rhodes, Asst. Cashier.

Lineville—Lineville National Bank; Wyatt J. Green, Second Vice-Pres.

Montgomery—First National Bank; Chas. E. Norton, Asst. Cashier.—New Farley National Bank; Sylvani Baum, Vice-Pres.

Opp—First National Bank; L. A. Boyd, Vice-Pres., in place of J. Benton.

Slocomb—First National Bank; B. H. Meadows, Asst. Cashier.—Slocomb National Bank; C. E. Segrest, Pres., in place of J. R. Faircloth; B. F. Smith, Vice-Pres., in place of C. E. Segrest.

Tuscaloosa—First National Bank; Jno. Little, Jr., Vice-Pres.; Frank M. Moody, Cashier, in place of Jno. Little, Jr.

Union Springs—First National Bank; E. H. Cope, Vice-Pres., in place of J. G. McAndrew.

Wetumpka—First National Bank; E. J. Cain, Asst. Cashier.

ALASKA.

Fairbanks—First National Bank; C. J. Hurley, Cashier, in place of D. N. Freeman.

ARIZONA.

Benton—Peoples Bank; reorganized; capital, $25,000; J. W. Walton, Pres.; W. J. Brouse, Vice-Pres.

Clifton—First National Bank; J. J. Kelly, Asst. Cashier, in place of W. J. Riley.

Corning—First National Bank; Abe Brown, Pres., in place of J. M. Hawks; no Asst. Cashier in place of Perry Simpson.

Eureka Springs—First National Bank; R. S. Granger, Vice-Pres., in place of Louis Haucke; C. L. Gregg, Asst. Cashier.

Fayetteville—First National Bank; Art. T. Lewis, Vice-Pres.—National Bank of Fayetteville; T. J. Conner, Asst. Cashier.

Fort Smith—Merchants' National Bank; R. F. Dickens, Asst. Cashier.

Hot Springs—Arkansas National Bank; no Asst. Cashier in place of F. B. Rix.

Jonesboro—First National Bank; W. E. Talley, Vice-Pres.; Jas. E. Parr, Cashier, in place of W. E. Talley; J. E. McKee, Asst. Cashier, in place of Jas. E. Parr.

Little Rock—State National Bank; no Vice-President, in place of R. D. Duncan.

Malvern—First National Bank; E. H. Vance, Jr., Pres., in place of H. A. Butler; E. H. Frisby, Vice-Pres., in place of E. H. Vance, Jr.

Prescott—Prescott National Bank; G. E. Meany, Asst. Cashier.

Springdale—First National Bank; W. A. Graves, Asst. Cashier.

Tucson—Consolidated National Bank; Leo Goldschmidt, Vice-Pres., in place of Sam'l Hughes.

Yuma—First National Bank; Jennie Polhanness, Asst. Cashier.

CALIFORNIA.

Alhambra—First National Bank; N. W. Thompson, Second Vice-Pres., in place of Gail Borden.

Anaheim—First National Bank; Otto Storm, Asst. Cashier.

Bakersfield—First National Bank; J. R. Withrow, Asst. Cashier, in place of L. Schonenbach.

Berkeley—First National Bank; F. C. Mortimer, Asst. Cashier.

Corona—Corona National Bank; Julian Keeler, Asst. Cashier.—First National Bank; A. C. Wood, Vice-Pres., in place of W. H. Jameson.

Cucamonga—First National Bank; E. W. Reid, Vice-Pres., in place of C. F. Thorpe.

Fowler—First National Bank; D. S. Snodgrass, Pres., in place of O. J. Woodward.

Fresno—Fresno National Bank; M. F. Tarkey, Vice-Pres.

Huntington Beach—First National Bank; C. W. Sawyer, Vice-Pres., in place of H. S. Hazeltine; R. E. Graves, Asst. Cashier.

Kingsbury—First National Bank; C. F. Draper, Asst. Cashier.

Long Beach—Exchange National Bank; T. R. McQuigg, Asst. Cashier, in place of Chas. Malcom.—First National Bank; no Vice-Pres's., in place of Jno. Carroll, S. Townsend, C. J. Walker and F. A. Howe; A. R. Collins, Cashier, in place of W. A. Kennedy; no Asst. Cashier in place of A. R. Collins.—National Bank of Long Beach; P. E. Hatch, Pres., in place of J. Bixby; J. Bixby, Vice-Pres., in place of P. E. Hatch.

Los Angeles—American National Bank; W. R. Hervey and J. C. F. Hull, Vice-Pres's.; A. M. Brown and Geo. Bugbee, Asst. Cashiers.—National Bank of California; R. I. Rogers, Vice-Pres.; G. W. Fishburn Cashier, in place of R. I. Rogers; C. W Prollins, Asst. Cashier in place of F. J Belcher, Jr.

Madera—First National Bank; H. G. Johnson, Asst. Cashier.

Martinez—First National Bank of Contra Costa County; A. Pavolini, Asst. Cashier.

Monrovia—First National Bank; J. F. Sartori, Vice-Pres.; A. W. Hazen, Asst Cashier.

Oakland—Union National Bank; James I. de Fremery, Pres., in place of C. E. Palmer; Geo. Roeth, Vice-Pres.

Ontario—First National Bank; J. F. Fredendall, Asst. Cashier.

Redlands—First National Bank; H. R. Scott, Asst. Cashier.

Riverside—First National Bank; C. E. Newcomer, Asst. Cashier.

Sacramento—Fort Sutter National Bank; G. J. Bryte, Pres., in place of F. Ruhstaller; E. L. Southworth, Vice-Pres., in place of G. J. Bryte.—National Bank of D. O. Mills & Co.; T. D. Dittlefield, Asst. Cashier.

San Bernardino—San Bernardino National Bank; J. S. Wood, Asst. Cashier.

San Francisco—American National Bank; Jno. W. Wilson, Vice-Pres.—First National Bank; C. H. McCormick, Asst. Cashier.

San Jacinto—First National Bank; T. H. Fowler, Asst. Cashier.

Santa Ana—First National Bank; A. J. Crookshank and A. Getty, Vice-Pres's.

Santa Monica—Merchants National Bank; James H. Grigsby, Pres., in place of T. H. Dudley; E. Grigsby, Cashier, in place of G. F. Doty.

Selma—First National Bank; D. S. Snodgrass, Vice-Pres., in place of C. Bachtold; W. C. Freeland, Cashier, in place of D. S. Snodgrass; G. W. Glines, Asst. Cashier, in place of W. C. Freeland.

Sierra Madre—First National Bank; L. C. Torrance, First Vice-Pres.

South Pasadena—First National Bank; A. A. Lawyer, Asst. Cashier.

Upland—First National Bank; H. E. Bartlett, Pres.

COLORADO.

Akron—First National Bank; Newton Koser, Vice-Pres., in place of H. A. Gibson.

Alamosa—Alamosa National Bank; W. W. Ickes, Asst. Cashier.—American National Bank; E. H. Kilpatrick, Asst. Cashier.

Ault—First National Bank; A. S. Wilson, Cashier, in place of D. O. Moberly.

Berthoud—First National Bank; F. A. Bein, Pres., in place of D. [illegible] McCarty; J. B. Everhard, Vice-Pres., in place of F. A. Bein.

Brighton—First National Bank; S. F. Eaton, Vice-Pres., in place of H. A. Smith.

Brush—Stockmens National Bank; Ole Nelson, Vice-Pres.

Canon City—Fremont County National Bank; Geo. A. Baker, Vice-Pres., in place of J. S. Raynolds; G. F. Rockafellow, Vice-Pres., and Cashier; D. N. Cooper, Asst. Cashier.

Central City—Rocky Mountain National Bank; Hal Sayre, Pres., in place of T. H. Potter.

Colorado City—First National Bank; Jno. B. Stephen, Vice-Pres., in place of H. M. Ogilbee.

Denver—Colorado National Bank; H. Kountze, Asst. Cashier.—First National Bank; no Vice-Pres. in place of W. S. Cheesman, deceased.

Florence—First National Bank; M. B. Loy, Vice-Pres.; W. E. Mitchell, Cashier, in place of M. B. Loy; W. M. Loy, Asst. Cashier, in place of W. E. Mitchell.

Fort Collins—First National Bank; O. A. Hiller, Asst. Cashier, in place of M. G. Nelson.

Fort Morgan—First National Bank; Ben. H. Pelton, Jr., Asst. Cashier.

Fountain—First National Bank; Hugh Cologue, Vice-Pres., in place of D. W. Cell, deceased.
Greenwood Springs—First National Bank; C. R. McCarthy, Asst. Cashier, in place of S. Crocker.
Holly—First National Bank; J. S. McMurtry, Vice-Pres., in place of B. B. Brown; J. B. Harden, Cashier, in place of J. S. McMurtry; F. H. Puntenney, Asst. Cashier, in place of J. B. Harden.
Hotchkiss—First National Bank; S. P. Smith, Vice-Pres., in place of W. B. Stockham.
Julesburg—First National Bank; Lewis Linebarger, Pres., in place of W. E. Coumbe; T. B. Grantham, Asst. Cashier.
Lafayette—First National Bank; R. L. McMillin, Asst. Cashier.
Longmont—Longmont National Bank; E. L. Montgomery, Vice-Pres.
Loveland—First National Bank; E. J. Bender, Cashier in place of F. M. Kern; Alice Bender, Asst. Cashier.
Meeker—First National Bank; L. B. Walbridge, Cashier, in place of E. E. Fordham.
Montrose—Montrose National Bank; W. G. Robbins, Asst. Cashier, in place of C. J. Getz.
Ordway—First National Bank; A. F. Enyart, Pres., in place of A. T. Collison; J. N. Beaty, Vice-Pres., in place of T. E Downey; T. E. Downey, Cashier, in place of E. C. Firebaugh.
Paonia—First National Bank; W. R. Crook, Vice-Pres., in place of L. W. Heston.
Pueblo—G. F. Trotter, Asst. Cashier.
Salida—Commercial National Bank; D. P. Cook, Vice-Pres., in place of S. W. Sandusky.—First National Bank; V. C. Davenport, Vice-Pres.
Silverton—Silverton National Bank; O. W. Nyberg, Asst. Cashier, in place of H. G. Heath.
Steamboat Springs—First National Bank; E. A. Manker, Asst. Cashier.
Trinidad—Trinidad National Bank; no Vice-Pres., in place of Hy. Schneider, deceased; C. R. Rapp, Second Asst. Cashier.
Windsor—First National Bank; Harrison Teller, Vice-Pres., in place of J. A. Johnston; no Asst. Cashier in place of J. N. Akey.
Wray—First National Bank; Thos. Ashton, Vice-Pres., in place of W. T. Auld.

CONNECTICUT.

Bridgeport—Pequonnock National Bank; F. W. Hall, Cashier, in place of I. B. Prindle.
Greenwich—Greenwich National Bank; O. D. Mead, Pres., in place of C. E. Finlay; R. M. Wilcox, Asst. Cashier.
Guilford—Guilford National Bank; Geo. B. Munger, Vice-Pres.
Meriden—Home National Bank; no Pres. in place of A. Chamberlain; C. H. Wood, Asst. Cashier.
New Milford—First National Bank; S. S. Green, Pres., in place of H. S. Mygatt; no Vice-Pres. in place of S. S. Green.
Rockville—Peoples Savings Bank; William H. Prescott, Pres., deceased.—Rockville National Bank; Fred'k. H. Holt, Asst. Cashier.
Westport—First National Bank; W. H. Saxton, Vice-Pres., and Acting Pres.
Winsted—Hurlburt National Bank; G. L. Smith, Asst. Cashier.

DELAWARE.

Frankford—First National Bank; Jno. H. Long, Second Vice-Pres.
Frederica—First National Bank; R. J. Blocksom, Vice-Pres., in place of J. W. Hall.
Seaford—First National Bank; H. W. Baker, Vice-Pres.; M. Willin, Cashier, in place of H. W. Baker; Geo. H. Shipley, Asst. Cashier, in place of M. Willin.

DISTRICT OF COLUMBIA.

Washington—American National Bank; Wm T. Galliher, First Vice-Pres., in place of W. H. Saunders.—National Bank of Washington; Chas. E. White, Vice-Pres., in place of C. W. Howard.—National Capital Bank; Alberty Carry, Vice-Pres., in place of H. C. McCauley.—Traders National Bank; E. E. Jordan, Pres., in place of J. Rixey; Julius I. Peyser, Second Vice-Pres.

FLORIDA.

Arcadia—First National! Bank; W. M. Platt, Asst. Cashier, in place of E. A. Houstoun.
Bartow—Polk County National Bank; J. M. Oglesby, Vice-Pres., in place of J. N. Hooker.
Gainesville—First National Bank; E. Baird, Vice-Pres.
Key West—Island City National Bank; James L. Johnson, Asst. Cashier.
Milton—First National Bank; A. E. Mann, Cashier, in place of C. H. Jernagan.
Palatka—Putnam National Bank; Geo. E. Welch, Pres., in place of A. E. Wilson; F. H. Wilson, Vice-Pres., in place of Geo. E. Welch.
Perry—First National Bank; D. F. Blanton, Asst. Cashier.
St. Petersburg—National Bank of St. Petersburg; C. M. Gray, Jr., Asst. Cashier, in place of A. G. Marchant.
Tampa—First Natioanl Bank; D. F. Conoley, Vice-Pres.; R. J. Binnicker, Cashier, in place of D. F. Conoley; no Asst. Cashiers in place of W. R. Beckwith and R. J. Binnicker.

GEORGIA.

Albany—Citizens National Bank; Joseph A. Davis, Vice-Pres.; W. H. Hester, Asst. Cashier.—First National Bank; Jno. K. Pray, Pres., in place of M. Weslosky; J. S. Davis and A. P. Vason, Vice-Pres's., in place of D. W. James and W. S. Bell; Edwin Sterne, Cashier, in place of J. S. Davis.
Atlanta—Lowry National Bank; Jos. T. Orme, Vice-Pres.; Hy. W. Davis, Cashier, in place of J. T. Orme; E. A. Bancker, Jr., Asst. Cashier, in place of Hy. W. Davis.
Augusta—National Exchange Bank; P. E. May, Vice- Pres.; E. A. Pendleton, Cashier, in place of P. E. May.
Calhoun—Calhoun National Bank; T. W. Harbin, First Vice-Pres., in place of P. B. Trammell.
Cochran—First National Bank; J. P. Peacock, Cashier, in place of Z. V. Peacock.
Colquitt—First National Bank; J. S. Bush, Pres., in place of C. C. Bush; N. L. Stapleton, Vice-Pres., in place of J. S. Bush.
Covington—First National Bank; J. B. Davis, Jr., VicePres.; J. B. Terrell, Asst. Cashier.
Dawson—City National Bank; W. A. McLain, Pres., in place of J. M. Bell; A. M. Raines, Vice-Pres., in place of W. A. McLain.—Dawson National Bank; no Asst. Cashier, in place of F. E. Clark.
Fitzgerald—Exchange National Bank; E. F. Chambless, Vice-Pres.; L. J. Smith, Asst. Cashier.—First National Bank and Home Savings Bank; consolidated, under former title; E. K. Farmer, Pres., in place of T. W. Garbutt; W. O. Donovan, Vice-Pres.; J. E. Turner, Cashier in place of E. K. Farmer.

Gainesville—First National Bank; W. E. McKinney, Asst. Cashier.
Jackson—First National Bank; A. H. Carmichael, Cashier, in place of E. C. Paine.
Lavonia—Vickery National Bank; G. S. Weldon, Asst. Cashier.
Louisville—First National Bank; Thos. Hardman, VicePres., in place of J. B. Polhill; W. R. Singuefield, Asst. Cashier.
Macon—American National Bank; O. E. Dooly, Cashier, in place of L. P. Hillyer; Mr. Hillyer continues as Vice-Pres.—Fourth National Bank; B. E. Willingham, Vice-Pres., in place of S. R. Jacques.
Newnan—Coweta Natioanl Bank; N. L. North, Vice-Pres.; R. E. Platt, Asst. Cashier.—Manufacturers' National Bank; T. G. Farmer, Cashier, in place of N. L. North; W. B. Parker, Asst. Cashier.
Tallapoosa—First National Bank; J. C. Tumlin, Pres.; Goode Price, Cashier, in place of Rowe Price.
Tifton—First National Bank; Frank Scarboro, Cashier, in place of J. H. Scales.—National Bank of Tifton; K. P. Baker, Asst. Cashier, in place of J. T. Larkin.
Waycross—First National Bank; A. M. Knight, Pres., in place of J. S. Bailey; J. W. Bellinger, Cashier, in place of A. M. Knight; no Asst. Cashier in place of J. W. Bellinger.
West Point—First National Bank; W. C. Lanier, Pres., in place of W. E. Holloway; Amos Huguley, Vice-Pres., in place of W. C. Lanier; no Asst. Cashier in place of J. S. Lanier.

IDAHO.

Boise—Boise City National Bank; Fred. Broen and B. W. Walker, Asst. Cashiers.—First National Bank; Crawford Moore, Vice-Pres., in place of Peter Sonna.
Coeur d'Alene—Exchange National Bank; Jno. B. Taylor, Vice-Pres., in place of J. H. Harte; no Asst. Cashier, in place of G. H. Freelander.
Emmett—First National Bank; R. B. Shaw, Asst. Cashier, in place of Fay Bilderback.
Hailey—First National Bank; H. D. Curtis, Asst. Cashier.
Idaho Falls—American National Bank; no cashier, in place of J. R. Mason.
Lewiston—Lewiston National Bank; J. E. Chapman, Asst. Cashier.
Mountainhome—First National Bank; R. P. Chattin, Vice-Pres., in place of Thos. Mellen.
Nampa—First National Bank; G. M. Miller, Asst. Cashier.
Pocatello—Bannock National Bank; F. D. Clements, Asst. Cashier, in place of F. A. Ball.
Salmon—First National Bank; H. G. King, Pres., in place of H. M. McPherson; Ray Edwards Cashier, in place of H. G. King.
St. Anthony—Commercial National Bank; no Asst. Cashier, in place of R. W. Thompson.

ILLINOIS.

Anna—Anna National Bank; E. A. McCall, Asst. Cashier, in place of A. A. Lowry.
Arcola—First National Bank; H. O. Snyder, Vice-Pres.; J. E. Allison, Cashier, in place of H. O. Snyder.
Augusta—First National Bank; J. G. Stuart, Asst. Cashier.
Aurora—Merchants National Bank; W. W. Armstrong, Asst. Cashier.—Old Second National Bank; H. J. Cooper, Cashier, in place of L. N. Goodwin.
Benton—Coal Belt National Bank; C. A. Aiken, Jr., Cashier, in place of W. F. Spiller.—First National Bank; W. R. Browning, Vice-Pres.
Cambridge—First National Bank; Hy. White, Pres.; Wm. Ringle, Vice-Pres., in place of Hy. White.
Canton—First National Bank; L. B. Farnsworth, Vice-President.
Carmi—First National Bank; S. R. Stokes, Asst. Cashier.—National Bank of Carmi; H. A. Offill, Asst. Cashier.
Carrier Mills—First National Bank; H. Thompson, Pres., in place of Geo. B. Dodds; Geo. B. Dodds, in place of A. V. Tullar.
Carterville—First National Bank; W. H. Zimmerman, Asst. Cashier.
Catlin—First National Bank; G. W. Tilton, Pres., in place of C. V. McClenathan; W. F. Keeney, Vice-Pres.; J. R. Colyer, Cashier, in place of W. S. Douglas.
Champaign—Champaign National Bank; W. R. Hidy, Asst. Cashier, in place of H. E. McKevin.
Chicago—Corn Exchange National Bank; J. G. Wakefield, Asst. Cashier.—National Bank of the Republic; J. M. Hurst and Wm. B. Lavinia, Asst. Cashiers.—Prairie National Bank; LeRoy Woodland, Asst. Cashier.
Christopher—First National Bank; Olen Shephard, Cashier, in place of J. W. Dye.
Coffeen—Coffeen National Bank; C. A. Taylor, Vice-Pres., in place of Emery Wright; Emery Wright, Cashier, in place of C. F. Edwards.
Dahlgren—First National Bank; Albert Sturman, Pres., in place of J. H. Miller; C. M. Hall, Vice-Pres., in place of Wm. Garrison; H. E. Bartlett, Asst. Cashier.

Danville—First National Bank; J. L. Trucher, Asst. Cashier.

Decatur—Citizens National Bank; Milton Johnson, Jr., Asst. Cashier.

Delavan—Tazewell County National Bank; R. G. Sunderland, Asst. Cashier, in place of B. S. Pawson.

Earlville—First National Bank; Roscoe Lynn, Asst. Cashier.

East St. Louis—City National Bank; L. O. Whitnel, Pres., in place of M. M. Stephens; D. W. Chapman, Asst. Cashier.

Elgin—First National Bank; no Asst. Cashier, in place of E. S. Hubbell.

Elgin—Union National Bank; A. L. Metzel, Vice-Pres.; Mr. Metzell continues as cashier.

Fairbury—First National Bank; J. V. McDowell, Vice-Pres.; no Cashier, in place of E. E. McDowell.

Fairfield—First National Bank; Walter Sons, Asst. Cashier.

Findlay—First National Bank; Wm. M. Pogue, Vice-Pres., in place of A. W. Askins.

Freeburg—First National Bank; Susie M. Wolf, Asst. Cashier.

Galena.—Merchants National Bank; no Asst. Cashier in place of F. P. Stillman.

Geneva—First National Bank; O. O. Agler, First Vice-Pres., in place of E. F. Gorton.

Golconda—First National Bank; O. Bauer, in place of S. V. Clanathan.

Granite—First National Bank; M. Henson, Vice-Pres., in place of H. Barca.

Griggsville—Griggsville National Bank; J. F. Hatch, Vice-Pres., in place of G. E. Pratt.

Henry—First National Bank; O. P. Carroll, Vice-Pres., in place of J. O. Hill.

Hoopeston—First National Bank; Wm. McFerren, Vice-Pres., in place of P. McFerren.

Joliet—Citizens National Bank; Robt. Pilcher, Pres., in place of C. W. Brown; Fred Bennitt, Vice-Pres., in place of Robt. Pilcher.—Will County National Bank; C. H. Talcott, Vice-Pres.

Kewanee—First National Bank; Elwood Taylor, Asst. Cashier.—Union National Bank; L. S. Priestman, Asst. Cashier.

Kirkland—First National Bank; A. R. Tubbs, Asst. Cashier.

Lawrenceville—First National Bank; P. W. Bayard, Cashier, in place of W. S. Titus.

Lincoln—German-American National Bank; L. C. Schwerdtfeger, Pres., in place of M. Reinhardt, Sr., deceased.

Marion—First National Bank; Joab Goodall, Second Vice-President; W. L. Burkhardt, Second Asst. Cashier.

Martinsville—First National Bank; H. Ishler, Pres., in place of Lewis Logue; Lewis Logue, Vice-Pres., in place of H. Ishler.

Metcalf—First National Bank; Wm. Jones, Vice-Pres.

Milford—First National Bank; Irving T. Vennum, Second Vice-Pres.

Mount Olive—First National Bank; Wm. E. Kruse, Asst. Cashier, in place of L. J. Hartke.

Mount Sterling—First National Bank; H. G. Vandeveater, Asst. Cashier, in place of J. W. Fry.

Naperville—First National Bank; Earl E. Leffler, Asst. Cashier.

Nashville—First National Bank; A. G. Hartnagel, Cashier, in place of L. Krughoff; P. Krughoff, Asst. Cashier, in place of A. G. Hartnagel.

Nauvoo—First National Bank; J. H. Farren, Vice-Pres.

New Haven—First National Bank; Jno. J. Trafford, Pres., in place of W. P. Tuley; Jno. Barnett, Vice-Pres., in place of Jno. J. Trafford; Wm. P. Tuley, Cashier in place of Jno. Barnett.

Newton—First National Bank; A. F. Calvin, Vice-Pres., in place of C. D. Kendall.

Nokomis—Nokomis National Bank; Jno. Woltmann, Vice-Pres., in place of Geo. Taylor.

Oblong—First National Bank; C. W. Markman, Asst. Cashier.

Oquawka—First National Bank; James McKinney, Second Vice-Pres.

Oregon—First National Bank; W. H. Guilford, Vice-Pres., in place of G. A. Mix.

Palestine—First National Bank; E. E. Mattox, Pres., in place of E. H. Burridge; David Goodwin, Vice-Pres., in place of E. E. Mattox; Geo. J. Dickinson, Asst. Cashier, in place of C. F. Burridge.

Pawnee—National Bank of Pawnee; L. M. Sprague, Asst. Cashier, in place of S. R. Lemmon, deceased.

Peoria—Illinois National Bank; Frank Trefzger, Pres., in place of W. B. Kingman; Wm. C. White, Cashier, in place of Frank Trefzgar; no Asst. Cashier, in place of Wm. C. White.

Petersburg—First National Bank; Anson Thompson, Vice-Pres., in place of Chas. Nusbaumn; Frank E. Blaine, Vice-Pres.

Philo—First National Bank; J. A. Corbett, Vice-Pres.; D. E. Godfrey, Cashier, in place of J. A. Corbett.

Pontiac—Livingston County National Bank; Curtis J. Judd, Pres., in place of D. C. Eylar; E. Hoobler, Vice-Pres., in place of Curtis J. Judd.

INDIANA.

Auburn—City National Bank; Chas. M. Brown, Vice-Pres., in place of T. E. Davenport.

Aurora—First National Bank; H. T. Howe, Vice-Pres., in place of Seth Stedman, deceased; Harry Schmulte, Asst. Cashier.

Bloomington—First National Bank; Nat. U. Hill, Vice-Pres., in place of P. K. Buskirk; deceased.

Brazil—Riddell National Bank; Geo. W. Riddell, Jr., Asst. Cashier, in place of A. O. Scharff.

Cambridge City — First National Bank; Claude S. Kitterman, Pres., in place of J. K. Jones; C. W. Wagner, Cashier, in place of C. W. D. Jones.—Wayne National Bank; no Vice-Pres. in place of W. B. Wilson; T. R. Huddleston; Asst. Cashier.

Clinton—First National Bank; O. F. Houston, Asst. Cashier.

Columbia City—C. I. Jones, Vice-Pres.

Corydon—Corydon National Bank; G. W. Applegate, Jr., Cashier, in place of W. B. Slemons; B. S. Applegate, Asst. Cashier, in place of G. W. Applegate, Jr.—First National Bank; Wm. H. P. Wiseman, Vice-Pres., in place of Z. C. Wolfe.

Delphi—Citizens' National Bank; G. A. Shaffer, Asst. Cashier.

Dillsboro—First National Bank; J. R. Woods, Cashier, in place of Fred Lubbe; Margaret Hess, Asst. Cashier.

Evansville—City National Bank; F. A. Foster, Vice-Pres.; Mr. Foster continues as Cashier.

Fairland—Fairland National Bank; J. C. Voris, Pres., in place of A. L. Pond.

Flora—Bright National Bank; Bertha Hendriz, Asst. Cashier, in place of Myrtle M. Arnott.

Fort Wayne—Hamilton National Bank; J. R. McCulloch, Vice-Pres.; F. H. Poole, Cashier, in place of J. R. McCulloch; W. H. Myers, Asst. Cashier, in place of F. H. Poole.

Frankfort—American National Bank; Ralph Smith, Asst. Cashier.

Franklin—Franklin National Bank; Louis Zeppenfeld, Second Asst. Cashier.

Freeland Park—First National Bank; T. E. O'Connor, Asst. Cashier, in place of J. H. Brewer.
Gary—First National Bank; T. P. Phillips, Pres., in place of J. W. Fieldhouse; T. T. Snell, Vice-Pres., in place of W. S. Hazelton; Ernest C. Simpson, Cashier, in place of T. T. Snell.
Greens Fork—First National Bank; R. E. Swallow, Asst. Cashier.
Hammond—First National Bank; M. M. Towle, Jr., Asst. Cashier.
Hartsville—First National Bank; Jno. M. Plessinger, Pres., in place of J. K. Smalley, deceased; Albert Wertz, Vice-Pres., in place of Jno. M. Plessinger.
Indianapolis — Columbia National Bank; Harry B. Wilson, Asst. Cashier.—Indiana National Bank; M. W. Malott, Vice-Pres.; E. D. Moore, Cashier, in place of E. B. Porter; Thos. H. Kaylor, Asst. Cashier, in place of E. D. Moore.
Laporte—First National Bank; A. H. Peglow, Asst. Cashier.
Lawrenceburg—Dearborn National Bank; no Asst. Cashier in place of E. R. Shaw.
Lebanon—Lebanon National Bank; Geo. Nawood, Pres., in place of E. T. Lane.
Liberty—Union County National Bank; W. A. Bryson, Vice-Pres., in place of J. C. Kitchel; E. A. Kitchel, Second Vice-Pres., in place of W. A. Bryson.
Lowell—Lowell National Bank; Geo. B. Bailey, Pres., in place of F. E. Nelson; C. E. Nichols, Vice-Pres., in place of Geo. B. Bailey; no Asst. Cashier in place of B. H. Wood.
Marion—Marion National Bank—H. A. Gable, Vice-Pres.; Elsworth Harvey, Asst. Cashier.
Martinsville—First National Bank; Edw. L. Avery, Asst. Cashier.
Mays—First National Bank; no Asst. Cashier in place of R. H. Mills.
Medarysville—First National Bank; Edw. A. White. Asst. Cashier, in place of J. E. Guild.
Mentone—First National Bank; McM. Turner, Asst. Cashier.
Milltown—First National Bank; Scott M. Walts, Vice-Pres., in place of F. E. Bye.
Monrovia—First National Bank; Jason W. Tudor, Vice-Pres., in place of H. W. Lindley.
Mooresville—First National Bank; Eli H. Anderson, Vice-Pres., in place of J. C. Webb; Carl L. White, Asst. Cashier, in place of C. H. Woodward.
Morgantown—First National Bank; P. H. Miller, Asst. Cashier, in place of F. J. McCurdy.
Muncie—People's National Bank; no Asst. Cashier in place of J. A. Guthrie.—Union National Bank; Chas. F. Koontz, Vice-Pres., in place of W. W. Shirk; F. D. Rose, Asst. Cashier, in place of C. R. Hathaway.
Nappanee—First National Bank; Jesse Ringenberg, Vice-Pres.; J. D. Arvine and Floyd Slabaugh, Asst. Cashiers.
New Carlisle—First National Bank; Wm. Brummitt, Vice-Pres., in place of M. L. Brummitt; C. C. Hoffman, Asst. Cashier.
Petersburg—First National Bank; Leslie Lamb, Cashier, in place of Jno. O. Davis; Geo. T. Frank, Asst. Cashier, in place of Leslie Lamb.
Plainfield—First National Bank; Ralph Bly, Asst. Cashier, in place of L. B. Jones.
Remington—First National Bank; E. L. Hollingsworth, Pres., in place of Robt. Parker; Judson J. Hunt, Vice-Pres., in place of H. R. Church; Mr. Church continues as Cashier.

IOWA.

Adel—First National Bank; Lloyd R. Roberts, Asst. Cashier.
Akron—First National Bank; J. D. Farnham, Vice-Pres., in place of M. A. Agnes.
Alta—First National Bank; Geo. A. Dalziel, Vice-Pres., in place of C. Holtz; W. J. Sievers, Asst. Cashier.
Audubon—First National Bank; H. A. Arnold, Vice-Pres., in place of Theo. F. Morrow.
Aurelia—First National Bank; R. H. Edens, Asst. Cashier, in place of Wm. Lehman.
Bancroft—First National Bank; Tom Sherman, Vice-Pres., in place of G. S. Ringland.
Belmond—First National Bank—T. B. Kaufman, Pres., in place of G. H. Richardson; N. Reese, Vice-Pres., in place of T. B. Kaufman; B. Mennenga, Cashier, in place of W. I. Rosecrans.
Britt—First National Bank; C. P. Lewis, Vice-Pres.; no Asst. Cashier in place of C. L. Larson.
Brooklyn—First National Bank; B. M. Talbott, Pres., in place of W. T. Holmes; N. H. Wright, Cashier, in place of B. M. Talbott; Edw. H. Talbott, Asst. Cashier, in place of N. H. Wright.
Burlington—First National Bank; no Asst. Cashier in place of W. S. Schramm, deceased.
Burt—Burt National Bank; E. J. Murtagh, Vice-Pres., in place of T. F. Cook.
Cedar Falls—Cedar Falls National Bank; Roger Leavitt, Vice-Pres.; F. B. Miller, Cashier, in place of Roger Leavitt.
Cedar Rapids—Cedar Rapids National Bank; Kent C. Ferman, Cashier, in place of J. H. Ingwersen; Louis Visha, Asst. Cashier, in place of Kent C. Ferman.—Citizens' National Bank; no Vice-Pres's. in place of R. T. Forbes and C. E. Putnam.
Chariton—Chariton National Bank; H. D. Copeland, Pres., in place of W. C. Penick; E. L. Gookin, Asst. Cashier.
Clear Lake—First National Bank; C. R. Hamstreet, Vice-Pres., in place of J. H. Hill.
Coon Rapids—Coon Rapids National Bank; A. Brutsche, Vice-Pres., in place of Dana Reed; no Cashier in place of W. A. Storm.
Davenport—Iowa National Bank; J. E. Burmeister, Second Vice-Pres.; Mr. Burmeister continues as Cashier; F. B. Yetter, Asst. Cashier.
Dayton—First National Bank; C. V. Lundberg, Vice-Pres., in place of C. G. Anderson.
Doon—First National Bank; E. Huntington, Vice-Pres.
Dougherty—First National Bank; F. L. Christians, Asst. Cashier.
Eagle Grove—Merchants' National Bank; M. Armbruster, Vice-Pres., in place of J. L. Slade.
Eldon—First National Bank; K. C. Finney, Asst. Cashier.

Eldora—First National Bank; W. J. Murray, Vice-Pres., in place of D. E. Byam; W. E. Rathbone, Cashier, in place of W. J. Murray.
Elkader—First National Bank; G. M. Gifford, Asst. Cashier, in place of Geo. Witt.
Essex—First National Bank; Jno. G. E. Carlson, Asst. Cashier.
Exira—First National Bank; M. B. Nelson, Cashier, in place of A. Voorhees.
Farragut—First National Bank; R. O. Henstorf, Asst. Cashier.
Fontanelle—First National Bank; W. A. Addison, Cashier, in place of J. E. Brooks.
Fort Dodge—Commercial National Bank; Thos. H. Wright, Vice-Pres., in place of I. Garmoe.
Grinnell—Merchants' National Bank; L. F. Parker, Vice-Pres.
Griswold—Griswold National Bank; Fred B. DeWitt, Asst. Cashier.
Grundy Center—First National Bank; no Asst. Cashier in place of C. T. Rogers.
Harvey—First National Bank; T. J. Neiswanger, Vice-Pres.
Hedrick — First National Bank; W. W. Young, Asst. Cashier.
Hull—First National Bank; J. C. Wilson, Asst. Cashier.
Jefferson—First National Bank; M. M. Head, Pres., in place of Albert Head; Albert Head, Vice-Pres., in place of S. C. Culbertson; C. E. Marquis, Cashier, in place of M. M. Head; S. C. Culbertson, Asst. Cashier, in place of C. E. Marquis.
Jewell Junction—First National Bank; B. L. Britson, Asst. Cashier.
Klemme—First National Bank; C. H. Wiegmann, Pres., in place of Fred Arnold; August Law, Vice-Pres., in place of C. H. Wiegmann.
Lake Mills—First National Bank; Oscar Hovel, Asst. Cashier.
Lehigh—First National Bank; J. B. Marsh, Vice-Pres., in place of G. W. Marsh.
Malvern—First National Bank; M. L. Evans, Pres., in place of J. M. Strahan; O. A. Strahan, Vice-Pres., in place of M. L. Evans.
Marathon—First National Bank; J. E. Johnson, Asst. Cashier, in place of F. R. Smith.
Marion—First National Bank; J. W. Bowman, Vice-Pres., in place of E. A. Vaugn.
Mason City—First National Bank; O. T. Denison, Vice-Pres.; W. G. C. Bagley, Cashier.
McGregor—First National Bank; Thos. Updegraff, Pres., in place of F. Larrabee; W. R. Kinnaird, Vice-Pres., in place of Thos. Updegraff.
Montezuma—First National Bank; A. F. Rayburn, Pres., in place of C. R. Clark; Jno. H. Porter, Vice-Pres., in place of A. F. Rayburn.
Moulton—First National Bank; J. S. Gregory, Pres., in place of August Post; Ormal C. Zook, Asst. Cashier.
New Hampton—Second National Bank; Jno. R. Husting, Asst. Cashier.
New London—First National Bank; J. E. Peterson, Pres., in place of R. S. Gillis, deceased; Jas. T. Whiting, Vice-Pres., in place of J. E. Peterson.
Norway—First National Bank; C. E. Simpson, Pres., in place of C. P. Chrisianson; L. H. Jurgemeyer, Asst. Cashier.
Oelwine—First National Bank; A. C. Wilson, Vice-Pres., in place of E. C. Belt; C. B. Chambers, Asst. Cashier.
Oskaloosa—Farmers' National Bank; H. L. Pike, Asst. Cashier.
Pella—Citizens' National Bank; J. V. D. Roovaart, Asst. Cashier, in place of L. Kruldenier.
Sac City—First National Bank; Phil. Schaller, Vice-Pres.
Seymour—First National Bank; J. Walter Phillips, Asst. Cashier.
Sigourney—First National Bank; C. C. Williamson, Asst. Cashier.
Sioux City—Iowa State National Bank; H. A. Jandt, Second Vice-Pres.—Live Stock National Bank; W. P. Dickey, Cashier, in place of M. E. Bauer; C. D. Van Dyke, Asst. Cashier, in place of W. P. Dickey.
Spencer—Citizens' National Bank; P. J. Cilley, Asst. Cashier, in place of E. J. Armstrong.
Stanton—First National Bank; E. M. Coppage, Asst. Cashier.

KANSAS.

Alma—Alma National Bank; O. W. Hess, Asst. Cashier, in place of O. F. Deans.
Almena—First National Bank; X. D. Ayers, Vice-Pres., in place of Jno. Dyatt.
Anthony — First National Bank; O. P. Burchfiel, Asst. Cashier.
Augusta—First National Bank; W. A. Penley, Cashier.
Barnard—First National Bank; M. J. Stauffer, Asst. Cashier.
Belleville—National Bank of Belleville; C. P. Carstensen, Vice-Pres.
Beloit—First National Bank; no Cashier in place of H. A. Phelps; J. E. Smith, Asst. Cashier.—German National Bank of Northern Kansas; J. M. Grotz, Vice-Pres., in place of D. A. Freeman; no Vice-Pres. in place of S. M. Shockley.
Burlington—Farmers' National Bank; O. P. Brigham, Second Vice-Pres.; A. J. Bordenkircher, Asst. Cashier.
Burr Oak—Jewell County National Bank; S. Monbeck, Asst. Cashier.
Caney—Home National Bank; E. L. Sharpless, Asst. Cashier.
Chanute—First National Bank; J. C. Merritt, Pres., in place of G. N. Lindsay; J. M. Massey, Vice-Pres., in place of J. H. Light; R. A. Light and Wilbur F. Allen, Asst. Cashiers.
Cherryvale—People's National Bank; M. A. Finley, Pres., in place of C. O. Wright.
Coffeyville—First National Bank; F. S. Wettack, Asst. Cashier.
Columbus—First National Bank; no Vice-Pres. in place of Isaac Wright, deceased.
Concordia—First National Bank; W. E. Carnahan, Asst. Cashier, in place of Jno. B. Wood.
Dodge City—National Bank of Commerce; A. Gluck, Vice-Pres., in place of J. W. Berryman; M. W. Sutton, Vice-Pres.
Eldorado—Eldorado National Bank; R. S. Miller, Vice-Pres., in place of J. S. Kline.
Elk City—People's National Bank; C. A. Fulton, Asst. Cashier.
Eureka—First National Bank; T. C. Peffer, Asst. Cashier.
Formoso—First National Bank; H. T. Hayman, Asst. Cashier, in place of Patrick Fay.
Garden City—First National Bank; G. T. Inge, Pres.; Geo. W. Finnup, Vice-Pres., in place of G. T. Inge.—Garden City National Bank; J. E. Baker, Vice-Pres., in place of R. M. Lawrence, deceased.
Glasco—First National Bank; J. W. Studt and M. L. Hare, Vice-Pres's.
Goodland—Farmers' National Bank; F. H. Smith, Pres., in place of J. S. Hutchison; A. D. Stewart, Cashier, in place of B. F. Brown; Warren Shamburg, Asst. Cashier, in place of A. D. Stewart.
Great Bend—First National Bank; G. F. Starr, Asst. Cashier, in place of T. M. Seaward.
Harper—National Bank of Harper; Frank Neighbor, Asst. Cashier, in place of J. H. Clendenin.
Hays City—First National Bank; M. E. Dixon, Asst. Cashier.
Hiawatha — First National Bank; Wm. Knabb, Vice-Pres., in place of L. E. Chase; J. W. Howle, Cashier.

Holton—National Bank of Holton; Philip Claypool, Vice-Pres., in place of Max Sarbach; no Asst. Cashier in place of J. L. Lehnan.
Horton—First National Bank; Wallis D. Wilson, Asst. Cashier.
Howard—Howard National Bank; J. M. Givin, Pres., in place of Noyes Barker.
Hoxie—First National Bank; Earl Farber, Asst. Cashier.
Independence — Citizens' National Bank; Ralph Emery, Vice-Pres.
Jewell City—First National Bank; Fred Beeler, Pres., in place of J. D. Robertson; J. C. Postlethwaite, Vice-Pres., in place of Fred Beeler.
Kansas City—Interstate National Bank; Lee Clark, Pres., in place of J. D. Robertson.
Kingman—First National Bank; P. H. McKenna, Asst. Cashier.
Kiowa—First National Bank; C. W. Wilson, Asst. Cashier.
LaHarpe—First National Bank; Guy C. Hough, Asst. Cashier, in place of C. E. Lenhart.
LeRoy—First National Bank; O. L. Anthony, Vice-Pres., in place of J. M. Mechem.
Lindsborg—First National Bank; C. F. Norstrom, Vice-Pres., in place of Theo. Teichgraeher.
Moline—Moline National Bank; Effie Chaffin, Asst. Cashier.
Neodesha—First National Bank; Lewis S. Arthur, Asst. Cashier.
Newton—First National Bank; J. J. Wenger, Asst. Cashier, in place of E. P. Chandler.—Midland National Bank; no Asst. Cashier in place of C. G. Kinney.
Norcatur—First National Bank; H. O. Douglas, Pres., in place of Frank E. Sayles; Otis L. Benton, Vice-Pres.; H. H. Benton, Cashier, in place of Jay Daugherty; C. F. Miller, Asst. Cashier, in place of J. C. Sayles.
Oberlin—Farmers' National Bank; S. O. Stowell, Asst. Cashier.
Olathe—First National Bank; W. M. Shepard, Cashier, in place of W. L. Breyfogle.
Osborne—Farmers' National Bank; C. B. Hahn, Pres., in place of J. F. Irey.
Ottawa—First National Bank; W. S. Fallis, Pres., in place of C. H. Estabrook; C. A. Smart, Vice-Pres., in place of A. W. Benson.
Paola—Miami County National Bank; L. T. Bradbury, Cashier, in place of Wm. Crowell.
Phillipsburg—First National Bank; L. E. Womer, Asst. Cashier.
Plainville—First National Bank; E. G. Boughner, Asst. Cashier.

KENTUCKY.

Barbourville—National Bank of John A. Black; Jno. B. Gates, Asst. Cashier.
Burnside—First National Bank; Clarence P. Johnson, Second Vice-Pres.
Clay—Farmers' National Bank; C. J. Hammack, Vice-Pres., in place of B. C. Hendrix; Albina Hearin, Asst. Cashier, in place of Mrs. C. E. Hearin.
Columbia—First National Bank; Braxton Massie, Pres., in place of Jno. O. Russell; E. H. Hughes, Cashier, in place of A. D. Patteson.
Corbin—First National Bank; H. J. Harris, Pres., in place of J. W. Root; J. T. Blair, Vice-Pres., in place of H. J. Harris.
Corrington—Commercial National Bank; D. F. Waterfield, Asst. Cashier, in place of Jno. G. Metcalfe.
Cynthiana—Farmers' National Bank; J. W. Snodgrass, Vice-Pres., in place of H. H. Van Hook.
Dry Ridge—First National Bank; Jno. McCoy, Asst. Cashier, in place of D. Blackburn.
Eddyville—First National Bank; Walter P. Malloy, Asst. Cashier, in place of G. S. Gaines.
Elizabethtown — Hardin National Bank; Starling Wells, Asst. Cashier.
Glasgow—Citizens' National Bank; J. H. Owen, Vice-Pres., in place of B. K. Wells; Jewell C. Preston and Cary G. Jewell, Asst. Cashiers.—First National Bank; H. G. Smith, Asst. Cashier, in place of F. J. Boles.—Third National Bank; F. J. Boles, Pres., in place of S. T. Young; C. H. Hatchett, Vice-Pres., in place of W. J. Davidson; W. P. Coombs, Asst. Cashier, in place of A. D. Young.
Harrodsburg—First National Bank; E. H. Davis, Second Vice-Pres.
Hartford—First National Bank; Alvin Rowe, Vice-Pres., in place of Z. W. Griffin.
Hodgenville—Farmers' National Bank; R. W. McGill, Vice-Pres.
Lawrenceburg—Witherspoon National Bank; J. L. Sherwood, Asst. Cashier.
Lebanon—Marion National Bank; W. J. Lisle, Vice-Pres.
Leitchfield—Grayson County National Bank; D. O'Riley, Vice-Pres., in place of Jno. W. Moorman.
Louisa—First National Bank; M. S. Burns, Pres., in place of P. H. Vaughan.
Louisville—First National Bank; V. A. Lloyd, Asst. Cashier.—Louisville National Bank; J. T. Bate and B. A. Duerson, Asst. Cashiers.—Southern National Bank; W. J. Thomas, Vice-Pres., in place of F. N. Lewis; no Vice-Pres's. in place of E. C. Bohne and P. N. Clarke.—Third National Bank; Jno. J. McHenry, Pres., in place of Owen Tyler; J. D. Powers, Vice-Pres., in place of Jno. J. McHenry; Arthur G. Langham, Vice-Pres.; G. S. Bridges, Cashier, in place of C. W. Dieruf; F. G. Miller, Asst. Cashier.—Western National Bank; C. W. Dieruf, Cashier, in place of L. F. Metz.

Lexington—Second National Bank; Geo. S. Weeks, Asst. Cashier, in place of C. W. Bean.
Ludlow—First National Bank; Chas. Eugene Clark, Pres., in place of R. H. Flemming; Herbert Jackson, Vice-Pres., in place of Chas. Eugene Clark.
Madisonville—Farmers' National Bank; Otho Fowler, Acting Pres., in place of G. R. Lynn; F. O. Baker, Cashier, in place of C. O. Osburn.
Olive Hill—Olive Hill National Bank; M. W. Armstrong, Vice-Pres., in place of W. D. Williams.
Paducah—American-German National Bank; L. M. Rieke, Pres., in place of G. C. Thompson; R. R. Kirkland, Cashier, in place of E. L. Atkins.
Pineville—Bell National Bank; Chas. G. Conant, Cashier, in place of E. G. Conant.
Richmond—Citizens' National Bank; J. W. Crooke, Asst. Cashier, in place of T. J. Smith.

LOUISIANA.

Alexandria—First National Bank; no Asst. Cashier in place of R. M. Lisso.
Baton Rouge—First National Bank; W. P. Connell, Vice-Pres., in place of R. A. Hart; Thos. B. Williams, Cashier, in place of O. Kondert.
Crowley—First National Bank; C. J. Freeland, Vice-Pres., in place of B. M. Lambert.
Homer—Homer National Bank; W. L. Ward, Cashier; no Asst. Cashier, in place of W. L. Ward.
Lake Charles—Calcasieu National Bank; no Asst. Cashier in place of S. A. Knapp.—First National Bank; J. N. Wetherill, Asst. Cashier.
Lake Providence—First National Bank; H. Stein, Vice-Pres., in place of J. S. Guenard.
Mansfield—First National Bank; J. C. Rives, Pres., in place of W. A. Nabors; W. A. Nabors, Vice-Pres., in place of J. W. Parsons; N. W. Williams, Cashier, in place of T. L. Dowling.
Monroe—Oachita National Bank; J. S. Handy, Vice-Pres.
New Iberia—New Iberia National Bank; J. E. Schwing, Asst. Cashier.
New Orleans—Merchants' National Bank; Joseph Collins, Pres., in place of C. de B. Claiborne; Edw. S. Maunsell, Vice-Pres., in place of Guy Hopkins Whitney—Central National Bank; Harry T. Howard, Vice-Pres., in place of Ira E. Wight.
New Roads—First National Bank; J. B. H. Hebert, Vice-Pres.
Shreveport—First National Bank; Wm. J. Bayersdorffer, Vice-Pres. and Cashier; no Asst. Cashier, in place of J. B. Filhiol.
Welsh—First National Bank; J. A. Kiplinger, Asst. Cashier.

MAINE.

Bar Harbor—First National Bank; A. S. Rodick, Pres., in place of J. A. Rodick; W. M. Roberts, Vice-Pres.
Bath—Lincoln National Bank; Geo. P. Davenport, Pres., in place of Fredk. H. Low; Fredk. H. Low, Cashier, in place of Fred F. Blaisdell; Fred F. Blaisdell, Asst. Cashier.
Boothbay Harbor—First National Bank; Chas. V. Martin, Asst. Cashier.
Brunswick—Union National Bank; Barrett Potter, Vice-Pres.
Caribou—Caribou National Bank; F. L. Oak, Vice-Pres., in place of R. A. Shaw.
Houlton—Farmers' National Bank; Llewellyn Powers, Pres., in place of L. B. Johnson; Jno. S. Weller, Vice-Pres., in place of Llewellyn Powers.
Kennebunk—Ocean National Bank; N. P. Eveleth, Cashier, in place of Chas. R. Littlefield.
New Castle—New Castle National Bank; Bradford A. White, Vice-Pres., in place of Frank Smithwick.
North Berwick—North Berwick National Bank; D. A. Hurd, Pres., in place of F. O. Snow; D. W. Bragdon, Vice-Pres., in place of D. A. Hurd.
Portland—Portland National Bank; Edw. W. Cox, Vice-Pres.
Rockland—North National Bank; N. T. Farwell, Pres., in place of S. M. Bird, deceased; E. S. Bird, Vice-Pres., in place of E. R. Spear, deceased; J. N. Southard, Asst. Cashier.
Skowhegan—Chas R. Cook, Pres., in place of E. P. Page.

MARYLAND.

Baltimore—Citizens' National Bank; Wm. H. O'Connell, Pres., in place of J. S. Gibbs; A. D. Graham, Vice-Pres., in place of Wm. H. O'Connell; Mr. Graham continues as Cashier; F. M. Dushane, Asst. Cashier.—First National Bank; H. B. Wilcox, Second Vice-Pres.; Mr. Wilcox continues as Cashier.
Berlin—First National Bank; no Vice-Pres. in place of L. S. Blades; Guy E. Boston, Asst. Cashier.
Frederick—Farmers and Mechanics' National Bank; James H. Harris, Vice-Pres., in place of F. B. Smith.
Gaithersburg—First National Bank; Frank B. Severance, Asst. Cashier, in place of J. E. Trundle.
La Plata—Southern Maryland National Bank; P. R. Wills and G. O. Monroe, Vice-Pres's.
Laurel—Citizens' National Bank; W. T. Achly, Asst. Cashier.
Westminster—Union National Bank; Jas. P. Earrewantz, Asst. Cashier.

MASSACHUSETTS.

Boston—First National Bank; C. A. Sawin, Asst. Cashier.—New England Trust Co.; Chas. H. Dalton, Vice-Pres., deceased.
Brockton—Home National Bank; Fred B. Howard, Pres., in place of Preston B. Keith; Preston B. Keith, Vice-Pres., in place of Fred B. Howard.
Clinton—First National Bank; Jno. E. Thayer, Pres., in place of C. C. Stone.
Gloucester—First National Bank; Geo. H. Perkins, Pres., in place of John Gott; Isaac Patch, Vice-Pres., in place of Geo. H. Perkins.
Hopkinton — Hopkinton National Bank; Winslow C. Pierce, Pres., in place of E. W. Pierce.
Lynn—Lynn National Bank; no Vice-Pres., in place of A. B. Martin, deceased; David Dunbar, Jr., Cashier, in place of J. E. Jenkins, deceased.
Medford—Medford Savings Bank; Daniel A. Gleason, Pres., deceased.
Merrimac—First National Bank; Benj. F. Sargent, Pres., in place of W. L. Smart.
New Bedford—New Bedford Institution for Savings; Philip E. Macy, Asst. Treas., in place of F. A. Washburn.
Newburyport—First National Bank; Geo. W. Piper, Vice-Pres.—Newburyport Five Cents Savings Bank; Chas. Thurlow, Pres., in place of N. Dole.
North Adams—North Adams National Bank; W. H. Pritchard, Pres., in place of W. A. Gallup; Geo. P. Lawrence, Vice-Pres., in place of H. W. Clark; A. E. Spencer, Cashier, in place of W. H. Pritchard.
Norwood—Norwood National Bank; Carl C. Collins, Asst. Cashier.
Salem—Naumkeag National Bank; E. J. Fabens, Vice-Pres.
Ware—Ware National Bank; no Vice-Pres in place of J. H. G. Gilbert.
Williamstown—Williamstown National Bank; Fredk. C. Severance, Vice-Pres., in place of J. W. Bullock.
Woburn—Woburn National Bank; John C. Buck, Asst. Cashier.

MICHIGAN.

Alpena—Alpena National Bank; no Second Vice-Pres. in place of H. Besser.
Charlotte—Merchants' National Bank; Fred B. Alsover, Asst. Cashier.
Coldwater — Southern Michigan National Bank; M. G. Clarke, Vice-Pres.
Detroit—Commercial National Bank; F. F. Christie and J. H. Hart, Asst. Cashiers.—National Bank of Commerce; C. R. Talbot, Asst. Cashier.
Grand Haven—National Bank of Grand Haven; William Savidge, Vice-Pres., in place of H. F. Harbeck.
Houghton—Citizens' National Bank; Frank Haun, Pres., in place of Graham Pope; Chas. J. Toloner, Asst. Cashier.
Manistee—First National Bank; John W. Sibben, Asst. Cashier.
Manistique—First National Bank; W. J. Shinar, Asst. Cashier.
Marquette—First National Bank; W. O. Johnason, Second Asst. Cashier.—Marquette National Bank; H. R. Fox, Second Asst. Cashier.
Ontonagon—First National Bank; Chas. A. Eichue, Asst. Cashier, in place of H. Frimodig.
Paw Paw—First National Bank; W. H. Longwell, Asst. Cashier.
Petoskey—First National Bank; Chalmar Curtis, First Vice-Pres.; C. F. Hankey, Second Vice-Pres.; H. W. Curtis, Cashier, in place of Chalmar Curtis; W. B. Lawton, Asst. Cashier, in place of H. W. Curtis.
Traverse City—First National Bank; E. P. Allen, Asst. Cashier.

MINNESOTA.

Aitkin—First National Bank; Wm. Davidson, Pres., in place of A. R. Davidson; A. R. Davidson, Vice-Pres., in place of Wm. Davidson; no Vice-Pres. in place of A. D. McRae.
Albert Lea—First National Bank; E. A. Nelson, Asst. Cashier, in place of M. H. Sprague.
Alexandria—First National Bank; C. J. Gunderson, Vice-Pres., in place of C. H. Raiter; P. O. Unumb, Cashier.
Anoka—Anoka National Bank; G. J. Giddings, Asst. Cashier.
Appleton—First National Bank; Edw. Lende, Cashier, in place of A. L. Sloss, deceased.
Argyle—First National Bank; Fred Tiedt, Vice-Pres.; no Asst. Cashier in place of E. A. Westin.
Battle Lake—First National Bank; Chas. Keith, Pres., in place of Henry Olson; K. C. Hansen, Cashier, in place of Knud Hansen.
Beardsley—First National Bank; F. Dittes, Jr., Pres., in place of C. B. Westfall; no Asst. Cashier in place of J. C. Ekern.
Bemidji—First National Bank; P. J. Sheldon, Vice-Pres., in place of W. H. Roberts.—Lumbermen's National Bank; A. D. Stephens, Vice-Pres., in place of W. R. Baumbach.
Biwabik—First National Bank; C. W. Bray, Vice-Pres.; E. J. Simons, Cashier; J. S. Hopkins, Asst. Cashier, in place of A. E. Olson.
Blue Earth—Farmers' National Bank; Herman D. Paschke, Asst. Cashier.—First National Bank; G. S. Smith, Asst. Cashier.
Braham—First National Bank; C. A. Roman, Asst. Cashier, in place of N. E. Anderson.
Bricelyn—First National Bank; R. L. Mork, Asst. Cashier, in place of G. O. Halvorson.
Brown's Valley—First National Bank; F. H. Wellcome, Pres., in place of O. Gunderson; John Toelle, Vice-Pres., in place of F. H. Wellcome; O. Gunderson, Cashier, in place of S. J. LaDue; N. J. Brown, Asst. Cashier, in place of A. E. Robson.
Campbell—First National Bank; Geo. W. Broadbent, Asst. Cashier.
Cannon Falls—Farmers and Merchants' National Bank; M. N. Gergen, Asst. Cashier.
Chaska—First National Bank; F. H. Bauermeister, Asst. Cashier, in place of E. J. Simons.
Chisholm—First National Bank; Martin Hughes, Second Vice-Pres., in place of L. G. Sicard.
Cloquet—First National Bank; F E. Coolbaugh, Asst. Cashier.
Cold Spring—First National Bank; John Muggli, Vice-Pres., in place of N. M. Barnes.
Cottonwood—First National Bank; W. C. Frank, Asst. Cashier.
Crookston—Merchants' National Bank; M. Ericsson, Vice-Pres., in place of W. E. McKenzie.
Duluth—First National Bank; W. W. Wells, Asst. Cashier, in place of W. S. Bishop.
Eagle Bend—First National Bank; Wm. Rodman, Vice-Pres., in place of G. R. Christie; O. M. Lofgren, Cashier, in place of Wm. Rodman.
Fairmont — First National Bank; E. C. Schulz, Asst. Cashier.
Fulda—First National Bank; Jno. Plut, Pres., in place of J. M. Dickson; M. J. Dickson, Asst. Cashier.
Glenwood—First National Bank; C. M. Sprague, Pres., in place of Alba Webster.
Hibbing—First National Bank; S. R. Kirby, Pres., in place of A. D. Davidson; P. Mitchell, Vice-Pres., in place of A. D. McRae; L. C. Newcombe, Cashier, in place of S. R. Kirby; Jno. T. Ring, Asst. Cashier, in place of L. C. Newcombe.
Hills—First National Bank; V. C. Mead, Pres., in place of P. E. Brown; A. C. Finke, Asst. Cashier.
Hopkins—First National Bank of West Minneapolis; Hilmer Olson, Vice-Pres., in place of F. Souba; M. O. Dix, Asst. Cashier, in place of M. O. Hewitt.
Ivanhoe—First National Bank; H. H. Panneck, Asst. Cashier.
Kasson—National Bank of Kasson; Tennis Slingerland, Vice-Pres.
Lake Benton—National Citizens' Bank; H. D. Gile, Asst. Cashier.
Lakefield—First National Bank; A. J. Nestrud, Cashier, in place of P. W. Blockert.
Lake Park—First National Bank; C. E. Bjorge, Pres., in place of W. L. Taylor; E. T. Vigen, Vice-Pres., in place of C. E. Bjorge.
Little Falls—First National Bank; A. R. Davidson, Pres., in place of A. D. Davidson; Warren Gibson, Asst. Cashier, in place of A. R. Davidson.
Long Prairie—People's National Bank; H. W. Schroeder, Asst. Cashier.
Lyle—First National Bank; J. C. Reierson, Asst. Cashier.
McIntosh—First National Bank; George A. Beito, Asst. Cashier.
Melrose—First National Bank; John Kolb, Vice-Pres., in place of Joseph Kraker.

MISSISSIPPI.

Clarksdale—First National Bank; Chas. W. Clark, Vice-Pres.
Greenwood—First National Bank; Ben L. Jones, Pres., in place of E. R. McShane; G. L. Ray, Asst. Cashier.
Hattiesburg—First National Bank; C. G. Robinson, Cashier, in place of A. F. Thomasson.
Jackson—Capital National Bank; Amos R. Johnston, Cashier; no Asst. Cashier in place of Amos R. Johnston.
Lumberton—First National Bank; H. C. Yawn, Vice-Pres., in place of J. S. Love.
Meridian—Citizens' National Bank; H. M. Street, Pres., in place of W. A. Brown, deceased.
Poplarville—National Bank of Poplarville; Morris G. Blackwell, Vice-Pres.
Vicksburg—First National Bank; Adolph Rose and W. T. Bennett, Vice-Pres's.

MISSOURI.

Burlington Junction—First National Bank; no Asst. Cashier in place of H. R. Maltby.
Cainesville—First National Bank; W. C. Baker, Pres., in place of J. R. Girdner.
Centralia—First National Bank; Julius R. Edwards, Asst. Cashier, in place of J. F. Denham; W. C. Jennings, Asst. Cashier.
Clayton—St. Louis County Bank; absorbed Fenton Bank.
Columbia—Boone County National Bank; E. M. Price, Asst. Cashier.—Exchange National Bank; C. B. Bowling, Pres., in place of T. McBaine; W. W. Garth, Cashier, in place of C. B. Bowling; A. G. Spencer, Asst. Cashier, in place of W. W. Garth.
Cowgill—First National Bank; F. M. Kern, Cashier.
Excelsior Springs—First National Bank; W. J. Craven, Cashier, in place of Glenn Hostutler.
Hamilton—First National Bank; P. A. Switzer, Vice-Pres., in place of H. Tilley.
Jackson—People's National Bank; Leon Clippard, Asst. Cashier.
Jefferson City—First National Bank; Oscar G. Burch, Pres., in place of H. J. Dulle; Emil Schott, Cashier, in place of Oscar G. Burch; Joseph H. Rephlo, Asst. Cashier, in place of Emil Schott.
Joplin—Cunningham National Bank; Blanche Jenkins, Second Asst. Cashier—Joplin National Bank; A. H. Waite, Pres., in place of A. E. Spencer; J. E. Garm, Cashier; no Asst. Cashier, in place of J. E. Garm.
Kansas City—First National Bank; H. T. Abernathy, Vice-Pres., in place of J. F. Richards; C. G. Hutcheson, Cashier, in place of H. T. Abernathy.—National Bank of the Republic; J. H. Berkshire, Joseph Lorie and G. B. Gray, Vice-Pres's.; no Cashier in place of J. C. Hughes; H. E. Hutting and E. H. Gregg, Asst. Cashiers.
Kirksville—National Bank of Kirksville; S. S. McLaughlin, Vice-Pres., in place of S. F. Stahl; S. F. Stahl, Cashier, in place of B. F. Heiny.
Liberal—First National Bank; L. I. Hemenway, Asst. Cashier.
Mountain Grove—First National Bank; James Archer, Vice-Pres., in place of Wm. Park.
Nevada—First National Bank; W. F. Sterett, Asst. Cashier.
Pleasant Hill—Farmers' National Bank; John Holloway, Pres., in place of H. A. Jones; H. B. Edelen, Vice-Pres., in place of John Holloway.
Rolla—National Bank of Rolla; R. H. Black, Vice-Pres., in place of L. F. Parker.
Springfield—National Exchange Bank; J. L. Hine, Asst. Cashier.
St. Joseph—Burns National Bank; no Vice-Pres. in place of J. A. Johnston; I. J. Weinman, Asst. Cashier.—First National Bank; Edw. C. Smith, Vice-Pres.—Tootle-Lemon National Bank; H. F. Lemon, Asst. Cashier.

MONTANA.

Culbertson—First National Bank; J. C. Gregory, Vice-Pres.; J. E. Peterson, Asst. Cashier, in place of E. J. Sletto.
Forsyth—First National Bank; J. W. Sweetser, Pres., in place of F. Philbrick; F. Philbrick, Vice-Pres.
Glasgow—Glasgow National Bank; Robt. Arnot, Vice-Pres., in place of J. D. Larson.
Great Falls—First National Bank; Jno. D. Ryan, Vice-Pres., in place of J. C. Lalor; W. A. Brown, Asst. Cashier.
Helena—National Bank of Montana; E. W. Prosser, Asst. Cashier.
Kalispell—Kalispell National Bank; W. N. Noffsinger, Vice-Pres., in place of J. V. Harrington.
Laurel—Citizens' National Bank; E. E. Craig, Vice-Pres., in place of B. G. Brockway.
Lewistown—First National Bank; David Hilger, Pres., in place of Herman Otten; Geo. M. Stone, Vice-Pres., in place of David Hilger; no Second Vice-Pres. in place of G. J. Bach.
Livingston—National Park Bank; J. C. Vilas, Pres., in place of E. H. Talcott; D. A. McCaw, Cashier, in place of J. C. Vilas; W. H. Bowen, Asst. Cashier, in place of D. A. McCaw.
Miles City—First National Bank; J. M. Holt, Vice-Pres.; H. F. Lee, Second Asst. Cashier, in place of C. D. Terrett.
Missoula—First National Bank; E. A. Newton, Cashier, in place of F. P. Keith.
Plains—First National Bank; C. W. Powell, Vice-Pres., in place of A. J. Lansing; Mr. Powell continues as Cashier; E. L. Johnson, Asst. Cashier.

NEBRASKA.

Anoka—Anoka National Bank; no Asst. Cashier in place of S. A. Richardson.
Ansley—First National Bank; No Asst. Cashier in place of W. M. Dirks.
Ashland—National Bank of Ashland; J. O. Ball, Asst. Cashier, in place of L. C. Churchill.
Auburn—Carson National Bank; Rosanna Carson, Vice-Pres.; no Asst. Cashier in place of R. M. Crichton.
Aurora—First National Bank; J. D. Ferguson, Jr., Vice-Pres., in place of W. I. Farley.
Bancroft—First National Bank; M. J. Zuhlke, Asst. Cashier.
Blue Hill—First National Bank; F. T. Hopka, Asst. Cashier.
Burwell—First National Bank; no Asst. Cashier in place of P. M. Snider.
Clarks—First National Bank; W. Chamberlin, Pres., in place of O. W. Eaton; M. Chamberlin, Cashier, in place of W. Chamberlin; M. P. Sears, Asst. Cashier, in place of J. T. McLean.
Crete—First National Bank; F. A. Novak, Asst. Cashier.
Curtis—First National Bank; T. M. Dempey, Pres., in place of Thos. Scott.
David City—First National Bank; Anton Wolff, Asst. Cashier.
Falls City—First National Bank; A. D. Cameron, Asst. Cashier.
Hartington—First National Bank; Geo. A. Nelson and W. M. Dirks, Asst. Cashiers.
Hastings—First National Bank; F. C. Babcock, Vice-Pres., in place of G. T. Brown.
Hayes Center—First National Bank; E. E. Musil, Cashier, in place of E. E. Garrett.
Holdredge—City National Bank; J. N. Decker, Vice-Pres.
Kearney—City National Bank; John A. Miller, Vice-Pres.
Lyons—First National Bank; no Cashier in place of G. E. Lundberg.
Minden—First National Bank; E. C. Tidvall, Asst. Cashier.
Norfolk—Citizens' National Bank; L. A. Rothe, Vice-Pres., in place of W. A. Witzigman.—Nebraska National Bank; C. A. Johnson and W. A. Witzigman, Vice-Pres's.; P. T. Zuelow, Asst. Cashier.—Norfolk National Bank; Carl Wilde, Asst. Cashier, in place of W. M. Rainbolt; F. C. Asmus, Asst. Cashier.
Omaha—First National Bank; I. Allison, Asst. Cashier.—Nebraska National Bank; Warren Switzler, Vice-Pres., in place of L. S. Reed.
Ord—First National Bank; Joe Barta, Asst. Cashier.
Overton—First National Bank; J. F. Grim, Vice-Pres., in place of N. J. Paul; Carl F. Grim, Asst. Cashier.
Pilger—Farmers' National Bank; J. R. Chace, Pres., in place of Alex. Rogers; Alex. Rogers, Vice-Pres., in place of J. R. Chace.
Wolbach—First National Bank; E. H. Davis, Cashier, in place of C. W. Norton.

NEVADA.

Ely—First National Bank; Arthur B. Witcher, Pres., in place of H. P. Clark; H. A. Comins, Vice-Pres., in place of A. D. Myers; Eugene Giles, Cashier, in place of A. B. Witcher; J. W. Biggane, Asst. Cashier.
Lovelock—First National Bank; W. T. Onyon, Asst. Cashier.
Tonopah—Nevada First National Bank; Donald B. Gillies, Vice-Pres.

NEW HAMPSHIRE.

Berlin—Berlin National Bank; W. E. Corbin, Vice-Pres., in place of F. L. Wilson; Oscar E. James, Asst. Cashier.
Farmington—Farmington National Bank; F. E. Edgerly, Pres., in place of J. H. Barker; J. R. Hayes, Vice-Pres., in place of J. F. Cloutman.
Franklin—Franklin National Bank; Richard W. Sulloway, Vice-Pres., in place of F. L. Morrison, deceased.
Gorham—Gorham National Bank; Thomas W. Wallace, Asst. Cashier.
Nashua—Second National Bank; Wm. E. Spaulding, Vice-Pres.

NEW JERSEY.

Atlantic City—Atlantic City National Bank; S. D. Hoffman, Second Vice-Pres.—Boardwalk National Bank; J. A. Brady, Pres., in place of Jno. C. Reed; Joseph Schwartz, Vice-Pres., in place of S. W. Moore; J. G. Hammer, Cashier, in place of Wm. S. Clements.
Barnegat—First National Bank; M. L. Berry, Third Vice-Pres., in place of S. P. Bartlett.
Belmar—First National Bank; R. G. Poole, Cashier, in place of W. A. Berry.
Belvidere—Belvidere National Bank; C. C. Smith, Asst. Cashier, in place of John Snyder.
Bernardsville—Bernardsville National Bank; R. C. Faust, Asst. Cashier.
Butler—First National Bank; M. H. Glann, Cashier, in place of O. T. Thorne.
Clinton—First National Bank; Johnson V. Aller, Vice-Pres.
Collingswood—Collingswood National Bank; H. K. Heritage, Vice-Pres., in place of H. L. Merrick; David S. Rash, Cashier, in place of G. B. Oliver.
Edgewater—First National Bank; W. O. Ross, Vice-Pres., in place of D. A. Higgins; no Vice-Pres. in place of Max Wyler.
Englishtown—First National Bank; Wm. H. Reed, Pres., in place of T. P. Burtt.
Fort Lee—First National Bank; Joseph Hager, Vice-Pres., in place of W. E. Holloway.
Guttenberg—First National Bank; O. M. Nilson, Pres., in place of J. F. Minturn; F. W. Herrmann, Jr., Vice-Pres., in place of O. M. Nilson; D. J. Murphy and Francis H. McCauley, Vice-Pres's.
Hackensack—Hackensack National Bank; C. W. Brower, Asst. Cashier.—People's National Bank; T. H. Brush, Asst. Cashier.
Jersey City—Commercial Trust Co.; Geo. W. Young, Vice-Pres., retired.—Hudson County National Bank; Samuel Drayton, Asst. Cashier.—Third National Bank; L. H. Apdycke, Asst. Cashier.
Long Branch—Citizens' National Bank; Jacob Steinbach, Pres., in place of R. Blodgett; Benj. P. Morris, Vice-Pres., in place of Jacob Steinbach; J. H. Davis, Jr., Cashier, in place of H. B. Sherman; no Asst. Cashier in place of J. H. Davis, Jr. —First National Bank; H. S. Terhune, Vice-Pres., in place of C. H. Valentine.
May Landing—First National Bank; Geo. W. Jackson, Vice-Pres., in place of J. E. P. Abbott.
Milford—First National Bank; J. C. Stern, Vice-Pres., in place of W. E. Holloway.
Newark—North Ward National Bank; Joseph M. Smith, Vice-Pres., in place of Geo. Lane.
New Brunswick—National Bank of New Jersey; Henry G. Parker, Pres., in place of V. M. W. Suydam; V. M. W. Suydam, Vice-Pres.; no Cashier in place of Henry G. Parker.
Paterson—Second National Bank; Wessels Van Blarcom, Asst. Cashier.

NEW MEXICO.

Alamogordo—Citizens' National Bank; C. E. Mitchell, Pres., in place of Alfred Hunter; H. M. Denney, Vice-Pres., in place of C. E. Mitchell.
Belen—First National Bank; John Becker, Jr., Asst. Cashier.
Farmington—First National Bank; H. B. Sammons, Asst. Cashier, in place of W. H. Harrington.
Fort Sumner—First National Bank; W. R. Lovelace, Vice-Pres., in place of C. C. Marshall; J. M. Casans, Second Vice-Pres.; C. C. Henry, Cashier, in place of A. B. Harris; Manuel Abreu, Asst. Cashier.
Lake Arthur—First National Bank; Ida Hammonds, Asst. Cashier.
Portales—Citizens' National Bank; Arthur F. Jones, Asst. Cashier, in place of J. A. Fairly.
Roswell—Citizens' National Bank; J. S. Lea, Vice-Pres., in place of J. O. Cameron.
Santa Rosa—First National Bank; J. J. Moise, Vice-Pres., in place of L. M. Shely.
Silver City—American National Bank; A. M. Gillespie, Asst. Cashier, in place of F. R. Coon.—Silver City National Bank; T. L. Lowe, Vice-Pres.; Harry H. Kelly, Asst. Cashier, in place of T. L. Lowe.
Texico—First National Bank; J. M. Kindred, Pres., in place of L. T. Lester; R. L. Stringfellow and C. C. Marshall, Vice-Pres's., in place of J. P. Stone and C. H. Leftwich; A. A. Maxwell, Cashier, in place of C. C. Marshall; no Asst. Cashiers in place of W. C. Marshall and James Shaw. —Texico National Bank; A. L. Breeding, Vice-Pres., in place of W. A. Davis; P. E. Jordan, Asst. Cashier.

NEW YORK.

Akron—Wickware National Bank; A. K. Flynn, Asst. Cashier, in place of F. M. Stage.
Allegany—First National Bank; W A. Flynn, Vice-Pres.
Amityville—First National Bank; Raymond C. Haff, Vice-Pres., in place of W. E. Holloway; Geo. A. Baylis, Vice-Pres.
Amsterdam—First National Bank; Jno. K. Warnick, Asst. Cashier.
Ballston Spa—Ballston Spa National Bank; Thos. Kerley, Pres., in place of A. S. Booth; Egbert F. Clute, Cashier, in place of Thos. Kerley.
Brewster—First National Bank; Henry H. Wells, Vice-Pres.
Brockport—First National Bank; Fred H. Gordon, Vice-Pres.
Brooklyn—Guardian Savings Bank, absorbed by Greater New York Savings Bank.—Home Trust Co.; Frederic E. Gunnison, Pres., in place of J. Edward Swanstrom.
Buffalo—Third National Bank; R. M. Rownd and W. Emerson Barger, Vice-Pres's.; W. Emerson Barger, Cashier, in place of G. A. Drummer.
Caledonia—First National Bank; W. J. Williams, Pres., in place of J. C. Tennent; Jno. C. Hawk, Vice-Pres., in place of W. J. Williams; C. L. Palmer, Asst. Cashier, in place of C. Palmer.
Cooperstown—First National Bank; W. P. K. Fuller, Asst. Cashier.
Cortland—First National Bank; T. H. Wickwire, Vice-Pres., in place of R. B. Smith.
Dover Plains—Dover Plains National Bank; Sheldon Wing, Vice-Pres., in place of C. W. Vincent.

Downsville—First National Bank; Thomas Keery, Vice-Pres., in place of F. F. Searing.
East Hampton—East Hampton National Bank; E. T. Dayton, Asst. Cashier.
Elmira—Merchants' National Bank; Chas. C. Swan, Pres., in place of E. P. Backer; Arthur Clinton, Vice-Pres.; Edwin M. Fay, Cashier, in place of Chas. C. Swan.
Falconer—First National Bank; E. E. Sample, Asst. Cashier.
Farmingdale—First National Bank; Ernest Hackwitz, Asst. Cashier.
Geneva—Geneva National Bank; William G. Ver Planck, Vice-Pres., in place of S. K. Nester; M. H. Sandford, Asst. Cashier.
Glens Falls—First National Bank; J. M. Coolidge, Vice-Pres., in place of A. W. Sherman; Mr. Sherman continues as Cashier.—National Bank of Glens Falls; Jeremiah T. Finch, Pres., in place of S. Brown, deceased; Louis M. Brown, Vice-Pres., in place of Jeremiah T. Finch.
Gloversville—Fulton County National Bank; J. R. Robertson, Asst. Cashier.
Goshen—Goshen National Bank; Jay H. Newbury, Vice-Pres., in place of W. D. Van Vliet; W. A. Wells, Cashier, in place of H. A. Horton.
Granville—Farmers' National Bank; G. N. Hull, Asst. Cashier.
Hastings-upon-Hudson—First National Bank; John J. Walsh, Vice-Pres., in place of Wm. Shrive; Jno. J. Martin, Vice-Pres.
Highland Falls—Citizens' National Bank; Louis F. Goodsell, Pres., in place of Geo. W. Flood; Isaac H. Birdsley, Vice-Pres.; Geo. W. Flood, Vice-Pres. and Asst. Cashier.
Hornell—First National Bank; W. H. Walbridge, Asst. Cashier.
Ithaca—First National Bank; R. B. Williams, Pres., in place of G. R. Williams, deceased.
Jamaica—First National Bank; P. H. Woodward, Vice-Pres., in place of A. C. Lockwood.
Lestershire—First National Bank; J. E. Hill, Asst. Cashier.
Liberty—Sullivan County National Bank; S. N. Smith, Vice-Pres., in place of A. P. Dubois, deceased.
Marathon—First National Bank; W. H. Boyden, Asst. Cashier.
Margaretville—People's National Bank; C. R. Sanford, Asst. Cashier, in place of F. M. Swart.
Marlboro—First National Bank; Albert H. Palmer, Vice-Pres., in place of W. E. Holloway.
Middleburg—First National Bank; Dewitt C. Dow, Vice-Pres.
New York—Aetna National Bank; R. B. Webb, Asst. Cashier.—Bronx National Bank; T. J. Chabot, First Vice-Pres., in place of O. M. Nilson; F. A. Wurtzbach, Second Vice-Pres.; O. M. Nilson, Third Vice-Pres.; W. W. Skinner, Asst. Cashier.—Chatham National Bank; Frank J. Heaney, Vice-Pres.; W. H. Strawn, Cashier, in place of H. P. Doremus; H. L. Chadmus, Asst. Cashier, in place of W. H. Strawn.—Corn Exchange Bank; Henderson N. Wolf, Second Vice-Pres.—Irving National Bank; H. E. Ward, Asst. Cashier.—National Bank of Commerce; Neilson Olcott, Cashier, in place of W. C. Duvall.—National Butchers and Drovers' Bank; no Asst. Cashier in place of E. G. Tucker.—Second National Bank; C. W. Case and A. L. Burns, Asst. Cashiers.
Northport—First National Bank; Howard K. Soper, Asst. Cashier.
North Tonawanda—State National Bank; V. H. Hunter, Asst. Cashier.
Norwich—National Bank of Norwich; John B. Van Cleft and John R. Kirby, Asst. Cashiers.
Ossining—First National Bank; C. T. Young, Pres., in place of H. C. Nelson; Geo. Hyatt, Second Vice-Pres., in place of C. T. Young.
Owego—Tioga National Bank; H. G. Foster, Asst. Cashier.
Port Richmond—Port Richmond National Bank; W. J. Davidson, Pres., in place of C. E. Griffith.

NORTH CAROLINA.

Charlotte—Charlotte National Bank and Charlotte Trust Co. consolidated under former title; Jno. M. Scott, Vice-Pres., in place of J. F. Robertson; J. H. Little, Vice-Pres.; no Cashier in place of H. M. Victor.
Dunn—First National Bank; R. G. Taylor, First Vice-Pres., in place of J. J. Wade.
Elkin—Elkin National Bank; A. Chatham, Pres., in place of R. J. Thurmond; Alex. Chatham, Jr., Cashier, in place of A Chatham.
Gastonia—First National Bank; J. Lee Robinson, Vice-Pres.
Graham—National Bank of Almance; Robt. S. Mebane, Pres., in place of E. M. Armfield.
Hendersonville—First National Bank; K. G. Morris, Vice-Pres., in place of G. I. White; J. Mack Rhodes, Cashier, in place of K. G. Morris; S. G. Rhodes, Asst. Cashier, in place of P. F. Patton.
Hickory—First National Bank; J. L. Cilley, Asst. Cashier.
Lillington—National Bank of Lillington; M. P. Hirsch, Cashier; formerly Acting and Asst. Cashier.
Marion—First National Bank; J. E. Neal, Asst. Cashier, in place of E. C. Guy.
Mount Airy—First National Bank; Geo. D. Fawcett, Pres., in place of Thos. Fawcett; T. G. Fawcett, Cashier, in place of Geo. D. Fawcett.
Newton—Shuford National Bank; G. A. Worlick, Vice-Pres., in place of J. C. Smith.
Raleigh—Commercial & Farmers' Bank; B. S. Jerman, Pres.; A. A. Thompson, Vice-Pres.; H. W. Jackson, Cashier; E. B. Crow, Asst. Cashier.
Shelby—Shelby National Bank; E. B. Hamrick, Vice-Pres., in place of H. I. Washburn.
Wilmington—Murchison National Bank; J. N. Yates, Vice-Pres.; Chas. S. Grainger, Cashier, in place of J. V. Grainger.

NORTH DAKOTA

Binford—First National Bank; A. J. Melgard, Asst. Cashier, in place of Oscar Greenland.
Bisbee—First National Bank; A. Egeland, Vice-Pres., in place of C. H. Olson; W. D. White, Cashier, in place of A. Egeland; J. G. Behan, Asst. Cashier.
Cooperstown—First National Bank; H. P. Hammer, Vice-Pres., in place of G. H. Condy; N. A. Patterson, Cashier, in place of Iver Udgaard; E. R. Sinclair, Asst. Cashier, in place of N. A. Patterson.
Crystal—First National Bank; L. M. Gilbert, Asst. Cashier.
Devils Lake—First National Bank; N. J. Haley, Asst. Cashier.
Dickinson—First National Bank; T. Arthur Tollefson, Asst. Cashier, in place of R. H. Smith.
Edgeley—First National Bank; Geo. Bulmer, Asst. Cashier, in place of A. M. Oakley.
Fessenden—First National Bank; G. L. Hope, Asst. Cashier, in place of C. I. Turner.
Finley—First National Bank; E. H. Gilbertson, Asst. Cashier, in place of T. O. Chantland.
Grand Forks—Union National Bank; Chas. F. Sims, Vice-Pres., in place of S. W. Rutlege.
Hampden—First National Bank; R. H. Murphy, Vice-Pres.

Hankinson—Citizens' National Bank; Hugo Krautkremer, Asst. Cashier, in place of S. G. Mitchell.
Harvey—First National Bank; W. W. Brant, Vice-Pres.; J. J. Reimer, Asst. Cashier, in place of M. W. Neary.
Hatton—Farmers & Merchants' National Bank; Walter Nelson, Asst. Cashier, in place of O. N. Hegge; G. H. Bolken, Asst. Cashier.—First National Bank; G. S. Thompson, Asst. Cashier, in place of R. G. Olson.
Hillsboro—First National Bank; W. A. Larson, Cashier, in place of J. E. Fencel; W. B. Davies, Asst. Cashier.
Hope—First National Bank; F. W. Ehred, Asst. Cashier.
Kenmare—Kenmare National Bank; F. Johnson, Asst. Cashier.
Kensal—First National Bank; E. P. Irvine, Asst. Cashier, in place of O. M. Young.
Lakota—National Bank of Lakota; K. C. Nelson, Asst. Cashier.
Langdon—First National Bank; M. L. Sullivan, Vice-Pres., in place of W. F. Winter.
Lansford—First National Bank; A. S. Adams, Asst. Cashier.
Larimore—National Bank of Larimore; Aaron Stern, Vice-Pres., in place of J. O. Fadden.
Leeds—First National Bank; Chas. F. Chalsma, Cashier, in place of E. F. Jones.
Maddock — First National Bank; E. R. Brown, Asst. Cashier.
Mandan—First National Bank; Michael Lang, Vice-Pres.; Jno. B. Racek, Asst. Cashier.
Minot—Second National Bank; James Johnson, Vice-Pres., in place of P. P. Lee.—Union National Bank; E. S. Person, Pres., in place of F. H. Wellcome; B. H. Bradford, Vice-Pres., in place of G. O. Frank; S. J. La Due, Cashier, in place of E. S. Person.
New Salem—First National Bank; J. Henry Kling, Asst. Cashier, in place of H. R. Ringeon.
Osnabrock — First National Bank; Hugh Douglas, Vice-Pres., in place of F. S. Sargent.
Rolette—First National Bank; Marion Edwards, Vice-Pres., in place of A. Egeland; F. J. White, Cashier, in place of Marion Edwards.
Valley City—American National Bank; C. A. Fisher, Asst. Cashier.—First National Bank; Herman Winterer, Pres., in place of Jno. Russell; Arthur Miller, Vice-Pres., in place of Herman Winterer.
Westhope—First National Bank; J. Rosholt, Pres., in place of Geo. Sunberg.
Williston—Citizens' National Bank; W. S. Davidson, Second Vice-Pres.; Geo. C. Schlenker, Asst. Cashier, in place of Ella Maloy.—First National Bank; B. Leknes, Asst. Cashier, in place of F. M. Schaefer.
Willow City—Merchants' National Bank; Geo. Sunberg, Pres., in place of J. Rosholt; A. Svensrud, Cashier, in place of Geo. Sunberg.
Wimbledon—Merchants' National Bank; Robert Clendening, Pres., in place of Jno. Russell; Jno. Tracy, Vice-Pres., in place of R. Clendening.
Wyndmere—First National Bank; no Vice-Pres. in place of Howard Dykman; E. O. Enochson, Asst. Cashier, in place of Lars Olsgard.

OHIO.

Arcanum — First National Bank; M. M. Smith, Pres., in place of Daniel Francis; H. J. Niswonger, Vice-Pres., in place of M. M. Smith.
Athens—First National Bank; no Asst. Cashier in place of S. N. Hobson.
Bellevue—First National Bank; Frank A. Knapp, Vice-Pres.
Bellefontaine — People's National Bank; Brad. D. Hiatt, Asst. Cashier.
Bridgeport—Bridgeport National Bank; W. G. McComas, Vice-Pres., in place of J. C. Heinlein.
Burton—First National Bank; Otto Atwood, Asst. Cashier, in place of F. R. Truman.
Camden—First National Bank; C. E. Morlatt, Vice-Pres.
Canal Dover—Exchange National Bank; C. A. Harmer, Asst. Cashier, in place of J. D. Elliott.
Cincinnati—Citizens' National Bank; S. M. Richardson, Cashier, in place of G. P. Griffith; Wm. D. Knox, Asst. Cashier, in place of S. M. Richardson.—Fourth National Bank; Chas. E. Wilson, Pres., in place of M. M. White; H. P. Cooke, Vice-Pres., in place of Chas. E. Wilson; Mr. Cooke continues as Cashier.—German National Bank; W. C. Wachs, Vice-Pres.; Orin N. Littell, Cashier, in place of W. C. Wachs; no Asst. Cashier in place of Orin N. Littell.—Merchants' National Bank; Geo. R. Balch, Vice-Pres.—Second National Bank; R. V. Johns, Asst. Cashier.
Circleville—Third National Bank; W. G. Jacob, Pres., in place of A. C. Bell; C. G. Shulze, Cashier, in place of W. G. Jacob; W. C. Morris, Asst. Cashier, in place of C. G. Shulze.
Cleveland—Bank of Commerce National Association; W. C. Caine, Asst. Cashier.
Cleves—Hamilton County National Bank; C. W. Harlan, Cashier, in place of W. C. Renaker; no Asst. Cashier in place of G. G. Greenamyer.
Columbiana—First National Bank; G. Ed. Buzard, Vice-Pres., in place of W. H. Schmick.
Columbus—Colonial Bank Co.; A. J. Evans, Pres.; J. E. Haller, Vice-Pres.; Francis A. T. Speers, Cashier.—Ohio National Bank; E. Kiesewetter, Pres., in place of Jno. Siebert; no Vice-Pres. in place of E. Kiesewetter.
Convoy—First National Bank; C. H. Dye, Pres., in place of A. Mollenkopf; A. Mollenkopf, Vice-Pres., in place of W. M. Muntzinger; E. M. Leslie, Cashier, in place of C. H. Dye.
Dayton—Teutonia National Bank; J. Edw. Sauer, Pres., in place of J. D. Whitmore; L. S. Reibold, Vice-Pres., in place of J. E. Sauer.
Delphos—National Bank of Delphos; C. D. Hunt, Asst. Cashier.
Dillonvale—First National Bank; H. N. Hammond, Pres., in place of J. N. Richardson; A. G. Gardner, Vice-Pres., in place of W. S. Kithcart.
Dunkirk—Woodruff National Bank; Ida M. Ludwick, Asst. Cashier, in place of Jno. Woodruff, Jr.
Hamilton—First National Bank; P. Benninghofen, Vice-Pres., in place of R. C. McKinney.
Hicksville—First National Bank; Jno. C. Wilderson, Pres., in place of Frank Maxwell; James W. Seevers, Vice-Pres., in place of Amos Farlow; Geo. B. Wilderson, Second Asst. Cashier.
Hillsboro—Merchants' National Bank; O. N. Sams, Pres., in place of E. L. Ferris; Jacob H. Feibel, Vice-Pres., in place of O. N. Sams.
Kenton—First National Bank; W. J. Pfeiffer, Asst. Cashier.—Kenton National Bank; A. F. Machetanz, Asst. Cashier, in place of O. E. Charles.
Kinsman—Kinsman National Bank; Allen Jewell, Vice-Pres., in place of Andrew Morford; C. A. Hobart, Cashier, in place of G. W. Birrell; H. J. Fobes, Asst. Cashier, in place of C. A. Hobart.
Lewisville—First National Bank; C. E. Ketterer, Pres., in place of C. G. Oblinger.
Mantua—First National Bank; W. R. Bowen, Asst. Cashier.

Mount Vernon—First National Bank; no Asst. Cashier in place of C. B. Curtis.
Napoleon—First National Bank; W. F. Pender, Cashier, in place of G. P. Lutz.
Newcomerstown—First National Bank; W. M. Brode, Pres., in place of Lloyd Murphy.
New Concord—First National Bank; O. M. Shipley, Vice-Pres., in place of R. C. Shepherd.
New Richmond—New Richmond National Bank; C. N. Yerger, Asst. Cashier.
Norwood—Norwood National Bank; Myers Y. Cooper, Pres., in place of Edw. Mills.
Oxford—Oxford National Bank; G. C. Welliver, Vice-Pres.
Painesville—Painesville National Bank; R. F. Pyle, Cashier; no Asst. Cashier in place of R. F. Pyle.
Plymouth—First National Bank; A. M. Trago, Cashier, in place of A. O. Waite; C. E. Clark, Asst. Cashier.
Ripley—Ripley National Bank; A. W. Francis, Vice-Pres., in place of W. A. Blair.
Rock Creek—First National Bank; C. W. Harrington, Pres., in place of Fred Harrington.
Roseville — First National Bank; Chas. Brown, Pres., in place of Wm. Porter; Jno. Burton, Vice-Pres., in place of Chas. Brown; C. E. Porter, Cashier, in place of J. N. Owens; L. B. Brown, Asst. Cashier, in place of C. E. Porter.
Salem—Farmers' National Bank; M. L. Young, Pres., in place of R. V. Hampson; Walter F. Deming, Vice-Pres., in place of M. L. Young.
Sandusky—Commercial National Bank; Mozart Gallup, Pres., in place of Jno. Whitworth; G. Graham, Vice-Pres., in place of Mozart Gallup.
Sardinia—First National Bank; G. A. Kennedy, Vice-Pres., in place of J. N. Plummer; Elsie Ogden, Asst. Cashier.
Scio—Farmers & Producers' National Bank; E. G. Finical, Asst. Cashier.
St. Clairsville—Second National Bank; W. L. Patton, Vice-Pres., in place of Saml. Campbell.
Tiffin—Commercial National Bank; W. W. Keller, Cashier; A. L. Troxel, Asst. Cashier, in place of W. W. Keller.
Tippecanoe — Tipp National Bank; T. C. Leonard, Pres., in place of Jacob Rohrer; E. L. Crane, Vice-Pres., in place of T. C. Leonard.
Toronto—First National Bank; Jno. F. Pentland, Asst. Cashier.
Urbana—Champaign National Bank; C. H. Marvin, Pres., in place of Joel Read; S. M. Mosgrove, Vice-Pres., in place of C. H. Marvin.
Warren—Union National Bank; J. N. Butler, Asst. Cashier.
Weston—First National Bank; J. V. Beverstock, Asst. Cashier.
Youngstown—First National Bank; A. E. Adams, Vice-Pres. — Mahoning National Bank; J. H. McEwen, Pres., in place of W. Scott Bonnell; W. Scott Bonnell, Vice-Pres.; Thos. A. Jacobs, Cashier, in place of J. H. McEwen; W. J. Roberts, Asst. Cashier, in place of T. A. Jacobs.

PENNSYLVANIA.

Duquesne—Hungarian American Savings & Trust Co.; title changed to American Savings & Trust Co.
Philadelphia—People's Trust Co.; Jos. L. Greenwald, Pres., in place of Jno. C. Winston, resigned; Chas. J. Gallagher, Vice-Pres.
Pittsburg—Land Trust Co.; absorbed German Trust Co. Capital $500,000.
West Chester—Chester County Trust Co.

RHODE ISLAND.

Kingston—Kingston Savings Bank; J. G. Peckham, Pres., deceased.
Providence—Industrial Trust Co.; Cyrus P. Brown, Pres., in place of S. P. Colt.

TEXAS.

San Antonio—American Bank & Trust Co.; N. S. Graham, Pres., in place of C. A. Beasley, deceased.

WISCONSIN.

Edgerton—Tobacco Exchange Bank; Andrew Jensen, Pres. and Cashier, in place of Wallace S. Brown, deceased.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

ARKANSAS.

Eureka Springs—Citizens' Bank; reported closed.

CALIFORNIA.

Long Beach—Citizens' Savings Bank; reported closed.
Sutter Creek—Sutter Creek State Bank; reported closed.

ILLINOIS.

Madison — Tri-City State Bank; reported closed, February 20.

IOWA.

Marshalltown — Green Mountain Savings Bank; reported closed, February 24.
West Point—Bank of West Point; reported closed, February 18.

LOUISIANA.

New Orleans—State National Bank; in voluntary liquidation, January 30.

MARYLAND.

Baltimore—Wilson, Colston & Co., in charge of receiver.

MICHIGAN.

Dowagiac—City Bank; suspended business, February 9.

MISSISSIPPI.

Jackson — Central Bank; reported closed, February 22.

MISSOURI.

Macon—First National Bank; in voluntary liquidation, January 14.

NEW YORK.

Hammondsport—A. G. Pratt & Co.; closed February 20.

NORTH CAROLINA.

Wilmington—Atlantic National Bank; in voluntary liquidation, January 18.

OKLAHOMA.

Alva—Bank of Commerce; reported closed.
Choteau—Farmers & Merchants' Bank; in charge of W. W. Hawood, receiver.
Grand—Day County Bank; reported closed.

OREGON.

Forest Grove—E. W. Haines; suspended business.

PENNSYLVANIA.

Leechburg—Leechburg Banking Co.; in charge of receiver.

RHODE ISLAND.

Providence—N. Curtis Fletcher & Co.; suspended business.

TEXAS.

Odessa—Western National Bank; in voluntary liquidation, January 1.
Ravenna—First State Bank; reported closed.

THE

BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

SIXTY-SECOND YEAR APRIL, 1908 VOLUME LXXVI, NO. 4

A MENACE TO AMERICAN PROSPERITY.

BY a vote of 42 to 16 the United States Senate, on March 27, passed the emergency currency bill introduced some time ago by Senator ALDRICH, Chairman of the Finance Committee of the Senate.

If this measure becomes a law it will be a direct menace to the continuance of American prosperity. Heretofore speculation has been partially held in check by high interest rates, a check which will be removed if the Aldrich Bill passes the House and is signed by the President..

The rapid and unhealthful expansion of enterprise, which has been to some extent restrained by the limitations on the note-issuing powers of the banks, may go on unhampered, if this bill becomes a law.

Speculation and the booming of enterprise will have no checks to keep them within reasonable bounds if the banks are permitted to issue a half-billion of paper currency, bearing no relation whatever to their gold reserves.

In the last eight years the circulation of the national banks has increased nearly $150,000,000. Now $500,000,000 more of bank paper is authorized at a single stroke.

This is dangerous inflation—a menace to the business interests of the country second only to that of free silver or the unlimited issue of greenbacks.

The bankers of the country, as the agents of the business interests and as upholders of sound banking and commercial standards, are almost unanimously opposed to this dangerous measure.

They must quickly and effectually make that opposition felt.

Every banker in the United States who desires to see the business of the country conducted on a safe basis should write to his member of Congress asking him to vote against the Aldrich Bill.

All organizations of bankers should take action at once against this vicious and unsafe measure, calling special meetings for that purpose, if necessary.

Bankers should urge similar action by boards of trade and business organizations of every kind.

They should also take every possible legitimate means of informing the people of the dangers lurking in this bill.

THE BANKERS MAGAZINE speaks advisedly in saying that if the Aldrich Bill becomes a law it will, in time, engender conditions that will cause the most terrific financial panic the world has ever known.

It is therefore the duty of every patriotic citizen to labor for the defeat of the Aldrich Bill.

No legislation on the currency question is a thousand times to be preferred to the Aldrich Bill, which is vicious, unsound, and a direct menace to our financial and commercial prosperity.

INVESTIGATION of the national banks of New York is provided for in the following resolution introduced in the United States Senate by Senator TILLMAN of South Carolina, and adopted on March 16:

Resolved, That the Committee on Finance is hereby instructed to inquire and report—

First. Whether the national banks in the city of New York and elsewhere are in the habit, under the guise of commercial loans, of furnishing permanent capital for speculative or other enterprises; and if so, what legislation is necessary to prevent a continuance of such practice.

Second. Whether the Treasury Department had knowledge of the loans made by the National Bank of North America, of New York city, which are the subject of a suit by the receiver of said bank against Charles W. Morse, and of other similar transactions in other national banks.

Third. Whether national banks are now engaged, by themselves or through other organizations, in attempting to control or dictate the legislation of Congress upon currency matters.

Fourth. The committee is further instructed to ascertain what, if any, legislation is necessary to discourage or prevent the habit of persons holding the office of Comptroller of the Currency or other Treasury officials from making their offices a stepping-stone to employment by national banks.

Fifth. Whether national banks are using trust companies or other financial associations as agencies through which to transact business forbidden by the law governing national banks, and what legislation is necessary to prevent such an evasion of the statutes.

Sixth. Whether the national banks in New York city lent their credit to the stock brokers by the certification or acceptance of checks during the years 1906 and 1907, and report whether or not such transactions involved any violation of the provisions of section 5200 of the Revised Statutes as to making excess loans.

In his speech in support of the resolution Mr. TILLMAN made a sharp attack upon the New York banks, and charged them with promoting speculative transactions.

This matter of overcertification has been discussed in these pages from time to time, and we do not deem it necessary to rehearse the facts now. Whether the banks violate the law or merely evade it will probably be established by the proposed investigation.

It is also well known that for many years the national banks, not of New York only, but those of the whole country, have violated the law regarding excess loans. The reason for this, as we have often explained, was because the penalty provided for an infringement of the law—annulment of the charters of the offending banks—has seemed so harsh that the Comptrollers of the Currency have never enforced it. Yet it is admitted that these excess loans are responsible for most of the failures of the banks.

Perhaps Senator TILLMAN'S investigation of the New York banks, if thoroughly made, may reveal some things not intended. The fact may be disclosed that the country banks are not above participating in the profits and risks of stock speculations, and that the Secretary of the Treasury, in placing public funds with the banks and in resorting to artificial means for stimulating bank circulation, not infrequently helps to promote this speculation, though he may aim merely to aid what he considers "legitimate business" as distinguished from speculation. But when the banks get the money, they are apt to use it in the most profitable way. If some means were at hand for

putting surplus currency out of existence when no longer needed, one of the most powerful incentives to harmful speculation would be destroyed.

SENATOR LODGE, in his apology for supporting the Aldrich Bill, made in the United States Senate on March 12, added but little in the way of information on the banking and currency question. Like most of the supporters of this measure, he began by declaring that he did not lay claim to being in any sense a financial expert. No one would deny the Senator's disclaimer, after reading his speech. WORDSWORTH, said BYRON, contends that prose and poetry are the same, and proceeds to prove it by his poetry.

Doubtless the distinguished Massachusetts Senator might have applied himself more diligently to the study of financial questions—in which case we do not believe he would have supported the Aldrich Bill—but for the fear that such study might have endangered his mental equilibrium. The Senator's views on this point are so illuminating that we venture to reproduce them:

"My observation has been that legislators who become wedded to a system which is to cure all evils, and who devote themselves for years to the contemplation of a system which they have themselves invented, are very apt to grow unbalanced. It requires a very robust sanity of mind like that of the Senator from Rhode Island [Mr. ALDRICH] to deal habitually with financial questions without descending into something very like fanaticism. I have no desire to tread that 'primrose path,' for it seems to me that, 'that way madness lies,' and I do not care to encounter its perils."

Thus far, if we may judge by his speech, Senator LODGE does not appear to be in any immediate danger of being unable to tell a hawk from a handsaw, while the wind remains southerly.

But we pass from the consideration of these interesting psychological problems to the examination of other features of the Senator's apology. Here are some of the things he said:

"Asset currency, properly speaking, is a pure asset currency, a currency issued against the assets of the bank with no gold reserve, or only one very small and practically merely nominal. I am again going to borrow a sentence from the Senator from Texas [Mr. BAILEY], which I think puts the proposition of asset currency with remarkable terseness and force—that what the bankers desire to do with an asset currency is to borrow without interest and without security, and then to lend on interest and with security. An asset currency is a currency based solely on what are called 'assets.' Of course in the long run the assets of every bank are liable for the engagements and obligations of the bank; but when we are treating of currency we are treating of notes that pass from hand to hand and which must have behind them either a bond reserve held by the Government, as ours is held, so that every man knows that, no matter what happens, the note of a failed bank is just as good as the note of the best bank in the country, or else you must put behind it an adequate gold reserve, so that the holder knows that if he wishes the money of the world he has nothing to do but to step into the bank and get it."

This definition of asset currency at least possesses the merit of novelty. The notes of the Louisiana state banks prior to the Civil War were a good example of an asset currency, and they were secured by a coin reserve of 33 1-3 per cent. No person of any authority,

that we know of, has proposed a system of asset currency not supported by a proper reserve of gold. But the Aldrich scheme provides for adding $500,000,000 of bank notes to the currency without requiring any addition to the gold reserves of the banks.

Senator LODGE seems to be under the impression that an asset note is unsecured, for he quotes with approval a declaration to that effect made by Senator BAILEY; but again we fail to remember anybody who favors such a system of currency. The asset or credit notes of a bank would—as Mr. LODGE himself admits—be secured by the general assets, by a gold reserve (of course), and by a safety fund. In fact, under any plan for an asset currency that Congress would consider with any favor at all, the safety of the notes must be placed beyond question.

Had Senator LODGE devoted a few minutes to studying this question, he might have learned, without going outside the banking history of his own Commonwealth, that an asset currency has demonstrated its safety and efficiency.

His apology for the Aldrich makeshift was not a creditable performance. Reading between the lines of his speech one can plainly see that the measure he defended was really not to his liking.

The great producing and commercial interests of the country would be immensely benefited by a proper system of banking and currency. It might have been expected that a man of Mr. LODGE's eminent attainments would drop the role of the politician for that of the statesman and give his support to a measure which really commands the approval of his judgment. That he has not done so must cause great disappointment and regret.

SENATOR BAILEY of Texas made a speech in the Senate on March 9 that doubtless fairly represents the views of those who favor the issue of Government paper money instead of bank notes.

In the regulation of a bank-note currency there are two functions that the Government may properly exercise.

First. It should provide for the absolute safety of every note issued.

Second. It should guard the bank-note currency against the dangers of inflation.

Upon these propositions there is substantial agreement. But as to a third, namely, that the Government should aim at direct regulation of the volume of the currency, instead of allowing this to be done automatically through the banks, under proper safeguards, there is a sharp division of opinion.

Senator BAILEY antagonized the issue of asset currency by the banks. He declared that the banks "want the privilege of issuing their notes without interest and *without security.*"

We assume from the tone of Senator BAILEY's speech that this statement was made in all candor. If that is so it shows an absolute lack of conception of the elementary principles of an asset or credit currency.

Let us see what a bank note is. It is an obligation of the bank issuing it to pay to the bearer, on demand, the sum of money expressed on the face of the note. Whenever a note is paid out, or "issued," by a bank, the bank becomes liable to pay so much money. Would the bank assume this liability without getting something of value in return? Would it give the note away without receiving anything in exchange? If there are any banks that would do that, we do not know of them. They are not to be found here in New York.

When a bank puts out its notes it will always get something in return. If the notes are paid out to a borrower —which, in one way or another, is nearly always the case—the note of the borrower comes into the bank as security for the bank note paid out. Or the bank may pay out its notes in discounting drafts drawn against products on their way to market, and in this case, as before, the note will be secured by the drafts purchased.

No one is proposing the issue of what Senator BAILEY calls "a non-secured currency." In addition to being secured dollar for dollar by commercial paper, there would be a coin reserve of not less than twenty-five per cent. and a safety fund large enough for the Government to guarantee the payment of the notes (if thought desirable) without incurring any risk whatever. If the Senator had taken the trouble to examine the Report of the Comptroller of the Currency he could have satisfied himself in a moment that the revenue derived from the tax on bank-note circulation has been far in excess of what would be needed to pay the notes of failed banks.

Senator BAILEY seems fearful that if we had asset currency, the "widow and orphan" would suffer. He says:

"Mr. President, let us consider for a moment what would happen under such a law when suspicion had once been aroused; when men began to look each other in the face and to ask what of the morrow; when depositors began to wonder if the bank which held their money was solvent, and the most timid of them began quietly to withdraw their deposits. Under such a condition the banks would begin to issue their notes to meet these demands upon them; but do you suppose, sir, that they could thus allay the fear of their depositors? Precisely the contrary would happen, because the depositors would understand that every note issued immediately became a lien superior to their claims against the bank, and they would protect themselves against being reduced to the position of second-lien holders by withdrawing their deposits. Put the case to your own common sense and conscience, and what would you do? If you were the guardian of an orphan, or the attorney for a widow, or an executor under a will, you would hesitate to leave such trust funds with a bank whose solvency was under a suspicion, even though you held, in common with all depositors, a first lien upon its assets; and how much more hastily would you withdraw them when you saw the bank issuing obligations which must be paid before you could recover a dollar, and which might absorb the very money you had deposited. Could you expect the daily wage-earner to leave the little he had been able to save above his living expenses with a bank that was creating a prior lien upon it? To give the bank notes a prior lien would not help us in a time of financial perturbation. Whatever tendency it might have to steady our confidence in bank notes would be more than offset by the lack of confidence which it would create as to the safety of deposits. The American people, whatever else may be said about them, are upon the whole blessed with an uncommon degree of common sense, and they believe, as I do, that the only way for a bank whose solvency is under suspicion to restore confidence in the minds of those who patronize it is to reduce its obligations; but this asset currency proceeds upon the opposite and the absurd theory that a bank can relieve itself from the distrust of those whom it already owes by multiplying the number and the amount of its debts."

This is ingenious at least. But it is by no means a true picture of what would happen. What a depositor

wants, as a rule, is not gold, or even legal-tender money of any kind. He wants something that circulates as currency. And what would be more natural than that he should prefer to exchange his book credit at such a time for bank notes issued under absolute safeguards? Depositors do not make demands on banks for the payment of their notes. Such demands are made by one bank upon another.

The closing statement of the above quotation deserves examination. Senator BAILEY says that "this asset currency proceeds upon the absurd theory that a bank can relieve itself from the distrust of those whom it already owes by multiplying the number and the amount of its debts."

If a bank with 100 frightened depositors should pay them off with its notes, would it multiply the number of its debts?

If the bank owed these same depositors $500 each, or $50,000 in all, and met their demands by paying out $50,000 of its notes, would it multiply the amount of its debts?

As to the first of these questions, it may be said that if the bank paid out $500 notes to each depositor, it would owe exactly the same number of debts as before. If it paid out notes of smaller denominations, it would increase the number of its obligations but by this very fact would reduce its liability to be called on to cash the notes once they got into circulation.

The answer to the second question is self-evident. The kind of bank that pays a debt of $500 with $500.01 is not the kind with which most of us have any acquaintance.

Senator BAILEY'S argument proves too much. He says that the fact that the notes are a lien superior to the claim of the depositor would frighten the latter into withdrawing his deposit. But if he took the notes of the bank in payment of his deposit, he would himself become a preferred creditor, as a holder of the notes, and the later, moreover, would circulate as money, and their safety and goodness would be absolute.

AN interesting discussion of the clearing-house loan certificate appeared in a recent number of the New York "Evening Post," from which we quote:

"The primary purpose of the expedient, as set forth in the past by its authors and by the bankers who conducted it, was that a bank or a group of banks, solvent but temporarily embarrassed, might be allowed to dispense with cash payments at the clearing-house.

"Such a bank, for instance, might turn in for the daily exchanges $5,000,000 in checks drawn on other banks and turned in to it by its depositors. At the same time, the other clearing-house banks might turn in $7,000,000 in checks similarly drawn on the bank in question and deposited with them. By the rules of the institution, this bank would be 'debtor at the clearing-house' to the extent of $2,000,000, which it was bound to pay to the clearing-house in cash, for distribution among the creditor banks. But if, from a run, a defalcation, or a temporary accident, the bank did not have the cash, and if it nevertheless had enough good securities to cover the amount, the clearing-house committee then would take the securities in hand, allot $2,000,000 in loan certificates to the bank, and require the creditor banks to accept such certificates instead of cash.

"Plainly enough, these other banks had loaned that amount to the embarrassed institution, and this is why the name 'loan certificates' was applied. The principle described was exactly ob-

served in the troubles of May, 1884, when the Metropolitan Bank had to ask for help, and in November, 1890, when the Bank of North America did the same. On both occasions, the strong banks loaned a part of their cash reserves to weak associates—or, as the matter is sometimes put, they 'pooled' their reserves for the general good. In 1884 and 1890, there was no restriction on cash payments, to local depositors or to banks in outside cities.

"The question is now being rather seriously discussed, whether the purpose of the loan certificate is not departed from entirely when, as in 1893 and as in last November, the largest and strongest banks apply for such certificates and use them to meet their daily debit balances at the clearing-house. If the transaction meant that they, like the banks which took out certificates in 1890 and 1884, are borrowing through the loan certificates, then the strong would be borrowing from the weak.

"But this could hardly be so. If, on the other hand, the theory of 'pooled reserves' be maintained, it would seem on the face of things that certain of the larger banks had taken measures not to participate in pooling. The truth is, that each of these original theories falls to the ground under such circumstances. What does unquestionably happen is, that, when a powerful bank, with 20 per cent. or so in cash still standing in its reserve, takes out and uses clearing-house loan certificates, it to that extent suspends cash payments to other banks.

"When, as in August, 1893, all banks take out certificates and make all their clearing-house payments in them, then it is clear that cash payments between banks at New York have been suspended. This recourse may be unavoidable, when the money-hoarding and the run on the banks have reached a climax, but it is an economic consideration of some importance, whether it is not this very suspension of mutual payments which leads necessarily to withholding of cash against out-of-town drafts or against checks drawn by depositors for payroll purposes. If this is true, then it would seem to be time to recognize that the present loan certificate device ought in the future to be replaced by a different expedient. As a matter of fact, the bankers of New York have long recognized this as the correct conclusion."

The fact is beginning to be appreciated by experts that clearing-house certificates, cashiers' checks, emergency issues and other devices for concealing the paucity of cash in the banks are expedients to be employed as a last resort but by no means free from danger. They are a great deal like liquor or morphine—once used they are pretty apt to be resorted to again on pretexts growing flimsier all the time and in increased doses. Their effect, too, diminishes with the frequency of their use.

There are, perhaps, emergencies when a suspension of cash payments can not be avoided. But this is evidently a heroic remedy, to be used only when every other resource fails.

NEW YORK bankers have never been charged with a lack of financial shrewdness. Yet they do not appear to have discovered that bonds are the ideal form of security. President ALEXANDER S. GILBERT of the Clearing-House Association recently declared in an interview in the New York "Journal of Commerce" that the association had resorted to the issue of loan certificates on nine different occasions, the total certificates issued amounting to $266,000,000. Seventy-two per cent. of the collateral was commercial paper and only twenty-eight

per cent. other securities. Not a dollar has been lost in connection with these transactions.

It would seem that the kind of security acceptable to the New York Clearing-House ought to be good enough to satisfy any reasonable demand.

WRANGLING over the possession of a dead body is not a particularly edifying spectacle. Yet that is practically what takes place in New York State every time there is a bank failure. Responsibility for closing a bank seems to be divided between the Bank Superintendent and the Attorney-General, and the courts not infrequently have to be called on to settle the controversy. Neither the depositors, the stockholders nor anybody else derives any benefit from this muddled condition of affairs.

The efficiency of the Bank Superintendent's supervision of the banks of the state would be greatly enhanced if he were given sole authority to appoint receivers to wind up insolvent banks.

APPARENTLY the limitation on the note issues of the Imperial Bank of Germany is not regarded with entire satisfaction. In a recent communication, United States Consul Talbot J. Albert of Brunswick, writing on the recent monetary stringency in Germany, says:

"The German Government is considering the question of abolishing the limit on the quantity of notes which may be issued by the Reichsbank free of tax or an increase in their amount. It is asserted that the limitation is only a hamper on the bank, and has nothing to do with prudent banking, which depends upon the proportion of the metal reserve of the bank to the outstanding circulation; that the tax was a compromise between the English system of banking and the unlimited issue of paper money."

Doubtless the Imperial Bank would manage its note issues just as wisely if the limitation were removed, and by repealing the tax on so-called excess issues a burden would be taken off the country's trade. Germany has been experiencing remarkable business activity for some time, and discount rates have been high.

SENATOR LA FOLLETTE, who is the delight of the radicals, in his recent speech in the Senate attacking the Aldrich Bill, again sought to revive the exploded notion that this country is dominated by a group of financiers who withhold and dispense prosperity as their wills whisper. He thought that these men deliberately brought on the late panic, to serve their own ends.

A little reflection ought to convince any one that such an idea runs counter to common sense. It would be just as reasonable to suppose that on a windy day in March a sane man, living in a country town where all the houses are of frame, would set fire to his neighbor's house in order to get even with him for some grievance. If we suppose that all the men whom Senator LA FOLLETTE anathematized are entirely devoid of moral sense, it can hardly be possible that they are so lacking in common sense as to pursue the course he described.

The notion that the rich men deliberately set about to produce a panic is wholly erroneous. A panic, once started, may get entirely beyond the control of any group of financiers, however powerful they may be. Men of large wealth have their possessions

chiefly in the form of securities, or in real estate, factories, etc. They know that a panic does not mean a temporary decline in prices only, but that it is almost invariably followed by a period of depression, in which the values of securities fall and earnings and incomes decrease.

The high financier may possibly be such a moral monster as Senator LA FOLLETTE's vivid imagination pictures him to be; but he at least knows on which side his bread is buttered.

REPORTS from Washington are to the effect that the President favors the Aldrich Bill, though the information is supplemented by the statement that Mr. ROOSEVELT confesses that he knows but little about the currency question—a statement that seems wholly superfluous in view of his support of such a measure as that introduced by the chairman of the Senate Finance Committee.

It is to be regretted that the President has been so occupied with "trust-busting" and kindred matters that he has been unable to lend the weight of his personal influence in behalf of the movement for a sound and scientific currency system. Great reformers frequently lack the time or the disposition to devote their abilities to problems of constructive statesmanship. While the reforms carried out by the President will result in a higher standard of corporate management, and are therefore of immense benefit to the country, constructive work is now very much needed.

If President ROOSEVELT, through lack of expert knowledge, feels himself not qualified to lead in the movement for currency reform, he might at least have refrained from lending his support to an unsound measure like the Aldrich Bill.

WITH the increase in the number of national banks the physical labor of handling the note issues of these institutions grows all the while more burdensome. There were on February 14 last 6,698 national banks in the United States, practically all of them being banks of issue. The work of printing and redeeming the notes of so many separate institutions must severely tax even the great resources of the Treasury and the Bureau of Engraving and Printing.

The work of issuing notes might be greatly simplified and its cost materially reduced either by the adoption of some method of issuing the notes through incorporated clearing-houses or by confining the issue of notes either to banks of large capital or to those located in the reserve cities. At first sight it might seem like an injustice to the smaller banks to deprive them of this privilege. But so long as a bank must deposit Government bonds as a preliminary to the emission of its notes, this privilege is productive of little profit, and probably operates to curtail the efficiency of the banks in serving their local customers, because the banks are compelled to invest more in the bonds (including premiums, etc.) than they can issue in the shape of bank notes.

There is no longer any justification for requiring national banks to invest part of their capital in Government bonds, whether they issue circulation or not. The credit of the United States does not need such support now, though it did when the National Banking Law was enacted. It has been held that this requirement acts as a protection to depositors, insuring that at least a portion of the bank's capital will be wisely invested. That was true so long as the bonds were selling on an investment basis, as they were prior to the refunding operations which be-

gan in 1900. But United States two per cent. bonds at 104 are not desirable from a purely investment standpoint. Moreover, their remaining above par is dependent upon the artificial props given to the bonds by the banking laws.

Even with the adoption of a credit currency it would not be anything exceptional to confine the note issues to a limited number of banks. In fact, the general practice is to restrict note issues to a single institution or to a few banks of large capital. There would doubtless be strong opposition to either of these plans in this country. Actually, however, neither the large nor small banks have the privilege of issuing their credit notes. They are allowed, after depositing Government bonds, to circulate the latter in small denominations. So that if this privilege were taken away from them they would not be losing anything of much consequence.

The central bank idea is open to several well-founded objections. But as the number of issuing banks keeps on growing the difficulties to which we have referred will increase, and probably before long it will become necessary, in order to economize labor and expense, to limit the right to issue notes in some way. By taking thought of this matter now, the banks may prevent the adoption of some plan that would be distasteful and perhaps unjust.

POSTAL savings banks would draw money away from the localities where it is needed for the development of home enterprises, to be invested either in Government bonds or other investment securities. There seems to be no valid argument for postal savings banks, except on the ground of safety. Few communities, however, lack a bank of well-established reputation for security. In New York, and in most of the Eastern States, a system of savings banks is in operation that provides practically absolute safeguards to depositors. This system might be extended to all parts of the country.

RAILROAD bonds have been eliminated from the Aldrich Bill, and that measure, if it becomes a law, will be shorn of one of its most vicious features. But it remains utterly wrong in principle, and no possible revamping can make this makeshift acceptable to the friends of a sound reform of our bank-note currency system. Even those who believe in an emergency currency —and this includes many able and conscientious students of the currency problem—do not find any satisfaction in the Aldrich Bill. If bonds are to be accepted as security for the emergency notes, why not commercial paper? By excluding the latter form of security the South and West are discriminated against, though these sections have the greatest need of emergency currency. And why should the Secretary of the Treasury be clothed with authority to decide when an emergency exists justifying the issue of notes? That can be determined only by the banks acting individually or through their clearing-house associations. We dislike exceedingly to attribute motives to any one. But the Aldrich Bill, from its provisions and the manner in which the measure has been handled by those in charge of it, has certainly warranted the inference of insincerity.

The Aldrich Bill, whatever it may be in fact, looks like a bond-selling scheme. It does not appear to have been drawn with any reference to the real needs of the country, even for an emergency currency.

If this bill becomes a law the Republicans will have a lot of explaining to do in the next campaign.

INDIVIDUAL deposits in the national banks of the country have grown amazingly in recent years. This is graphically shown in a colored chart printed in connection with the Report of the Comptroller of the Currency for 1907. This tremendous gain in individual deposits has been due to the great increase in the country's business and wealth, and on the whole may be taken as an evidence of the nation's growing prosperity. There are some features of this rapid growth of deposits, however, that are worthy of study. In the first place, a glance at the chart mentioned reveals an almost startling increase in deposits since 1892. In that year the individual deposits of the national banks were $1,765,000,000, while in 1907 they were $4,319,000,000. The capital, during the same period, rose from $686,000,000 to $896,000,000. That is, in 1892 the individual deposits were not quite two and three-fifths times the capital, while in 1907 they were almost four and seven-eighths times as great.

Nor have the banks strengthened their reserves. On the contrary, the ratio of reserve held compared with deposits has declined from 28.2 per cent. on September 30, 1892, to 21.3 per cent. on August 22, 1907.

These figures indicate a considerable expansion of banking credits without a proportionate augmentation either of coin or capital. Without attempting to lay down any rules as to what proportion of reserves a bank should keep, or as to what ratio should be maintained between capital and deposits, it may be said that the tremendous gain in deposits, in conjunction with a proportionate lessening of both capital and reserve, does not make for the safety of banking nor for conservatism in the conduct of business. Of course, the safety of a bank depends primarily on the character of the loans. But if a comparatively strong ratio of capital to deposits is maintained, the security of depositors will be greater, not only to the extent of the capital itself, but the double liability of shareholders adds another safeguard.

Naturally, the banks like to pursue a course that assures the largest profits, but no prudent banker will be guided by such consideration to the extent that the security of his institution will be endangered. Perhaps a little more conservatism on the part of the banks, as a whole, would tend to make less popular the demand for the insurance of deposits.

SUIT has been brought against directors of the National Bank of North America of New York city by the receiver of the bank to recover some $730,000 alleged to have been invested in various securities and lost.

This tendency to hold bank directors liable for losses incurred through bad investments or loans will undoubtedly result in making directors more attentive to their duties. Where losses are due either to negligence or to a deliberate intent on the part of directors to use the bank's funds in speculative ventures, it would seem to be no more than right for the stockholders and depositors to expect that the directors shall be called on to make good such losses. In fact, if the stockholders of a bank who have been assessed to meet deficiencies caused by the neglect or criminal recklessness of directors would bring suit against the latter to recover such assessments, it would make the careless or criminally inclined

director less ready to endanger the funds of the bank.

The duties of bank directors are clear enough, and the man who is unwilling to give that reasonable attention to them which the law requires should not complain if he is made to suffer financial loss in consequence.

THE suggestion made a short time ago by Hon. ROBERT B. ARMSTRONG, former Assistant Secretary of the Treasury, and now president of the Philadelphia Casualty Company, that the bankers of Pennsylvania should organize a state clearing-house association with a view to exercising a supervision over the banks, deserves careful examination.

All things considered, bankers are probably superior to any other class in the community so far as honesty is concerned. Not that the banker is better than anybody else; but the very nature of his business tends to make him honest. He is trusted by his depositors and must lend the bank's money or credit largely upon faith. Believing in a borrower's honesty, he gives him the right to draw thousands from the bank on the security of a piece of paper, signed with the borrower's name, and promising to pay the sum back at a stipulated time. On the other hand, the banker receives thousands—even millions—from depositors, giving them no tangible security save an entry of the amount in a book.

But while banking is, on the whole, more free from dishonesty than any other business, this happens to be a case where a very little is more than enough. Where a failure of a bank occurs, owing to dishonest or reckless management, the banks, as a body, suffer more or less discredit.

If MR. ARMSTRONG'S suggestions should be followed, the organized bankers of a state or district could exercise a certain degree of supervision over the banking business of the locality, and this would unquestionably tend to keep undesirable persons out of the business. This principle of supervising the conduct of banking by an association formed among the banks has been adopted already by the clearing-houses of several cities, and with good results. The examination provided by the state and Federal governments, though of great benefit, has not proved adequate. No doubt, if they choose, the bankers themselves can, through some such association as suggested by MR. ARMSTRONG, devise and enforce a system of examination that will prove thoroughly efficient and that will reduce to a minimum the loss and discredit now attaching to the banking business through the operations of the incompetent and dishonest banker.

PANICS afford striking illustrations of the value of co-operation among banks. That the effects of the recent crisis were not far more harmful was due to this co-operation, exercised in a variety of ways.

It seems quite probable that this remedy which has been so effectual in staying the spread of panics might check them altogether if the machinery were thoroughly overhauled and kept ready for any emergency that might occur. For instance, many of the clearing-houses in the smaller cities issue a kind of emergency currency; but it takes time to agree on the plan for doing this, and the mere printing of the notes occasions further delay.

Why should not the clearing-houses of the country voluntarily perfect some efficient machinery for coping with financial crises? The clearing-house

certificates or currency should be issued under some system insuring safety. If this precaution is not adopted, the public may come to distrust these devices, and thus one of the most effectual means for combating panics will be discredited.

With every clearing-house properly organized, and with a plan of operation carefully worked out beforehand, at the first indications of panic the entire banking strength of the country could be brought to the defence of any threatened point. Every clearing-house issuing emergency notes could have a supply on hand at all times ready for instant use. Panics would rarely spread if at their approach efficient means of fighting them were brought swiftly into requisition. In such contingencies promptness is most essential. As BAGEHOT said: "In wild periods of alarm one failure makes many, and the best way to prevent the derivative failures is to arrest the primary failure which causes them."

It is generally realized that a coordination of our scattered banking units would be highly desirable on many grounds. This feeling has been responsible in part for the persistent advocacy of a central bank by many of the ablest financial students of the country. But even if a central bank were a practical possibility, it could not render the same service as the clearing-houses of which any bank may become a member and in whose management each has a voice. It would be necessary, of course, to extend the organization of clearing-houses to country districts and to enlarge their functions somewhat.

The banks have learned that when a panic is raging they must either hang together or be hanged separately, and the law of self-preservation inclines them to the former course.

If the Clearing-House Section of the American Bankers' Association would take up this matter, a practical plan of operation could be worked out. No help in advance can be expected of Congress. All that may be hoped for is that legislative sanction will not be withheld after the good results of such co-operation have been shown.

The interests of the commercial community and of the banks themselves imperatively demand that the banks of the United States, in time of panic, instead of making war on each other, shall stand together "one for all and all for one." This truth has been realized and acted upon to some extent already. When its universal applicability shall be understood, and practical means taken to give it effect, the power of the Panic monster to spread loss, suffering and destruction throughout the land will be greatly reduced and perhaps altogether destroyed.

GENERAL satisfaction will be felt in banking and commercial circles over the resumption of business by the Knickerbocker Trust Company of New York. It was the suspension of this institution, in October last, which precipitated the local financial crash and ushered in a panic that spread rapidly to all parts of the country. Had the suspension of the company been prevented the panic might have been averted altogether, or at least postponed. But the financial leaders at that time either failed to realize the strategic importance of keeping the company going, or they were unable to marshal their forces with sufficient celerity to prevent a successful assault. At any rate, the aid that might have saved the situation and changed the entire course of financial events was not forthcoming, and the company, after paying out $8,000,000 in cash, closed its doors.

The resumption avoids the long and tedious process of winding up, with the attendant enormous expense, and assures the payment of depositors in a reasonable time. Great patience and tact have been exercised by the depositors, the courts, the management, and by the State Banking Department in working out a plan of resumption and in securing its acceptance by those interested.

This is hardly the time for criticism of the company's past course. Whatever lesson may have been enforced by the suspension will be duly noted by the new management, and the future of the company shaped accordingly. It is to be hoped that the Knickerbocker Trust Company will be completely restored to prosperity, and that its policy may be such as will justify the fullest measure of public confidence.

PRESIDENT G. STANLEY HALL of Clark University fails to observe the maxim "De mortuis nil nisi bonum," for in a recent interview he made a spirited attack upon Greek and Latin, although these languages have long been dead. He said in part:

"My objection to teaching Latin and Greek in colleges is that such instruction is fundamentally unsound. It has always existed and it continues to-day to exist upon two assumptions, both of which are false.

"One is that it is necessary to any true culture, and the other is that its mental training is beneficial and helpful in mastering the modern languages. As a result of this false theory our colleges are crowded with so-called Latin and Greek students.

"Statistics show that sixty per cent. of all the pupils in all the big schools in the United States take Latin and Greek, while less than 15 per cent. take French and German. These dead languages are so terribly dead they are not even ghosts of ghosts, shadows of shadows, intangible, evanescent, unreal, and the time spent in mastering these ghastly, ghostly tongues might so much better be spent in mastering something that would become of use to the pupil.

"Of what use is it to a young man, for example, to learn Latin and Greek? He is shut up absolutely to one profession—teaching—and that the poorest paid of any profession with which I am acquainted."

Having small Latin and less Greek, we decline to be drawn into this fight. But we should like to see the young men who are being trained for business pay more attention to the study of modern languages, especially French, Spanish and German. Our polyglot population renders this more or less of a necessity, and the extension of American trade and enterprise will make it essential for a young man who expects to be thoroughly equipped for business to have a knowledge of the languages named. The building of the Panama Canal will have an effect in increasing our trade with Latin-America greater than now dreamed of, and this will make an acquaintance with the Spanish language a most desirable accomplishment.

The American lacks the facility of acquiring languages possessed by many foreign races, and he has not suffered much on this account so far, but times and conditions change and we must either adapt ourselves to these changes or be left behind.

FUNDAMENTAL DEFECTS OF THE BOND-SECURED BANK NOTES.

By Fred Rogers Fairchild, Ph.D., Instructor in Economics, Yale University.

ONE of the most encouraging results of the panic of 1907 has been the widespread interest aroused in the problem of currency reform. The experience of the past few months has once more demonstrated that our bank-note system is incapable of responding to the needs of business and that serious trouble may be expected so long as this defect goes unremedied. The panic has taught us the lesson of inelasticity. There is coming to be quite general agreement on the facts that our present currency system is inelastic, that serious inconvenience and loss are the necessary results, and that the causes of inelasticity are to be found in the character of our bond-secured bank notes. The importance of elasticity can hardly be exaggerated. But there are other defects in our bond-secured note system, some of them even more serious than inelasticity. Plans of reform aiming to correct this defect alone may cause greater harm than good by overlooking other and more fundamental defects which are not so well understood. This article aims to point out the deeper defects of our bond-secured bank notes which must be kept in mind if our plans of reform are to secure us a truly sound currency system.

Gold the Proper Basis of Credit Currency.

Any correct system of credit currency must be based on a foundation of gold. Bank credit is issued in the two forms of deposits and notes. The former are based on a reserve of gold, the latter are not. We have here a fundamental weakness of our bank-note system. Under proper banking methods, deposits cannot expand without a proportional increase of the gold reserves of the banks. This furnishes the natural and necessary check to inflation. Our bank notes, however, have no such connecting link with the business and the monetary stock of the world. The basis of the American bank-note currency is the Government debt, a very inferior kind of foundation. Such a system carries with it the possibility of paper money inflation of a peculiarly dangerous kind, because its real meaning is apt to be concealed. For example, between January first, 1900, and January first, 1908, the volume of national bank notes outstanding increased from $246,000,000 to $690,000,000, an expansion of $444,000,000. In other words, the circulation nearly trebled in eight years. The cause of this great increase was not the need of more currency but the changes in the National Bank Act made in 1900, changes which made the establishment of national banks easier and the issue of notes more profitable. During the last two months of 1907 the circulation increased $80,000,000, due in large part to the measures taken by the Treasury Department to artificially stimulate the taking out of circulation. The future is likely to witness further expansion, unless some change is made in our system. The building of the Panama Canal will undoubtedly be a cause for increased note issue. Whenever the present surplus revenue ceases, it will become necessary to borrow large sums to pay for the canal. Already $55,000,000 of Panama Canal bonds have been issued. These bonds may be used as security for note issue, and the bulk of them has already been used for that purpose. It is undoubtedly the present intention to give this privilege to future issues. Indeed, unless this privilege is given, there will be no market

for the two per cent. bonds. We may expect, therefore, to see each issue made the basis of a further increase in the volume of bank notes.

Inflation Resulting From Present System.

All this means inflation, and inflation by means of a circulating medium having no connection with the gold stock of the world. To make room for the additional currency, gold must be forced to leave the country, and our whole monetary system, by no means too strong to-day, will be weakened at its foundation. This is the fundamental difference between expansion of credit by means of deposits and expansion by means of national bank notes. The one is based on gold; the other is based on the Government debt. When deposits expand, the reserves of the banks must increase proportionately and, if carried far enough, the result must be to bring in gold rather than to force it out. In like manner, deposits cannot for any considerable time be in excess of business needs. But bank notes may be increased indefinitely, if the Government only borrows enough, and the result will be the expulsion of gold whenever the currency becomes redundant. That this is an actually present danger is sufficiently demonstrated by the recent action of the Secretary of the Treasury, who has seen fit to add to the national debt at a time when the Treasury had a surplus of over 250 millions, for the sole purpose of increasing the circulation of the national banks. Our currency system can never be sound until the bank circulation is entirely divorced from the Government debt.

The danger of inflating our monetary system with bank notes having no gold reserve back of them is all the more serious from the fact that the notes of the national banks are used as reserves by state banks, private banks, trust companies, etc. They are part of the "cash reserves" on which these banks base their deposits. Thus we have a system of credit based on credit, and any weakness in the national bank note is carried over and multiplied in the deposits of other banks.

The complete *reductio ad absurdum* of this multiple credit system came when at a recent convention of the American Bankers' Association it was seriously proposed that it be made lawful for national banks to count their notes as "lawful money" in their own reserves. There is good reason to believe that this is actually practiced to some extent by national banks to-day, though the practice is, of course, illegal.

Dangers in Existing Method of Issuing Notes.

The safety of the national bank notes is seldom questioned. Whenever the evils of our currency system are pointed out and plans for asset currency or other reforms are proposed, the reformer is apt to be met by the reply that, at any rate, our bank notes are perfectly safe, and we had better put up with their other shortcomings rather than launch out on new schemes which may possibly sacrifice that safety which we now enjoy. The foregoing discussion should already have cast some suspicion on this complacent attitude. It will be further weakened by a closer analysis of the basis of the national bank circulation.

National banks may issue their notes up to the amount of their paid-up capital, and up to one hundred per cent. of the par value of United States bonds deposited with the Treasury, but never in excess of the market value of the bonds. The notes are engraved by the Government and issued to the banks. When signed by the proper officers of the bank, they become the bank's promise to pay upon demand and may be issued for circulation. The United States Treasury is also required by law to redeem on demand all notes of national banks presented to it. For this purpose each bank must keep with the Treasury a reserve fund equal to five per cent. of its circulation. The duty of the Treasury to pay notes on de-

mand, however, is not limited to the amount of this reserve, but applies to all notes properly presented. In case of the failure of a national bank, the Treasury is required by law to immediately redeem all its notes. The Treasury is secured against loss by the bonds deposited, by the five per cent. cash reserve, by its prior lien on the assets of the banks, and by the personal liability of the stockholders for an amount equal to their stock investments.

It is thus seen that the popular idea that the holder of a national bank note is secured against loss by the Government bonds deposited in Washington is not strictly correct. What protects the holder of a note is the absolute responsibility of the Treasury to redeem all notes on demand. The bonds are to secure the Treasury, not the individual noteholder, against loss. The noteholder is secured so long as the Treasury is able to meet its legal obligations.

Artificial Price of the Two Per Cents.

Let us examine the character of our Government bonds as security to enable the Treasury to meet its obligations. To understand the situation, it should be remembered that the leading purpose in the establishment of the national banking system was not the creation of a scientific currency system. The National Bank Act was a war measure enacted largely for the purpose of improving the market for Government bonds during the Civil War. It was for this purpose that the circulation of state banks was forced out of existence by a ten per cent. tax and the right of issue restricted to national banks on condition of the deposit of Government bonds as security. In the accomplishment of this purpose the act has been eminently successful. United States bonds have been given a new utility over and above their utility as an investment. From the very beginnning, this has given them an added value and enabled the Government to borrow at lower rates of interest than it would otherwise have had to pay. The Act of March 14, 1900, made provision for the ultimate refunding of all the United States debt into two per cent. bonds, and gave an added inducement to the use of these bonds as note security by lowering the annual tax on circulation from one per cent. to one-half of one per cent., provided the notes were secured by the new two per cent. bonds. All bonds issued since 1900 have borne two per cent. interest. Yet the market value of these bonds has always stood above par. They are quoted to-day in the neighborhood of 105. Obviously, this value is not based on earnings. British consols paying two and one-half per cent. are to-day quoted in the neighborhood of 85, which makes them yield about three per cent. on the investment. The French and German three per cent. loans are both considerably below par. United States bonds have been given an artificial value through their use as security for bank circulation. The national banks to-day hold for this purpose about two-thirds of the total funded debt of the United States. Remove this privilege from the national debt, and we should see the two per cent. bonds (which compose two-thirds of the interest-bearing debt of the United States) fall to perhaps seventy cents on the dollar, very likely even lower.

Here we have a remarkable situation. Our national bank notes are safe because they are secured by Government bonds, and our Government bonds are valuable because they are security for national bank notes. This looks very much like lifting oneself by one's bootstraps.

If we are to cling to the bond-secured note system, this matter of the artificial value of Government bonds will become an important practical problem whenever it becomes necessary for the United States to make any addition to its debt. Either the rate of interest will have to be raised to three per cent. or higher, or, if that alternative is rejected, means will have to be

found to induce the banks to use the greater part of the new loans as security for additional note issues.[1] In practical effect, this is only a thinly disguised resort to the time-honored but now thoroughly-discredited practice of compelling the people to use the Government debt as a circulating medium.

A Striking Argument for Asset Currency.

The bearing of this matter on the safety of the national bank notes is simple. The burden of the ultimate redemption of the bank notes has been placed on the shoulders of the Treasury, to add to its other burdens of maintaining the value of the greenbacks and of the silver dollars. If loss of confidence in the bank notes should ever lead people to demand their wholesale redemption, the Treasury would have to meet the demand in gold. But the moment it tried to sell the bonds, it would find there was no market for them except at a discount of perhaps thirty or forty per cent. It is true that the Treasury would still be able to recoup itself for this loss in the value of the bonds by exercising its prior lien on the assets of the banks. But this leads us to the important conclusion that the final security for our bond-secured notes rests on the assets of the banks after all. A more striking argument for asset currency could hardly be discovered.

Bond-Secured Notes a Menace.

It must be remembered, however, that the foreclosure by the Government of its claim on the assets of the national banks would cut into the wealth on which deposits are based and so have a most disastrous effect on the deposit system. The pressure upon the Government to refrain from such a crushing blow to credit would be overwhelming. It is almost inconceivable that in time of panic or a national crisis the Government would resort to such a procedure. Almost any alternative would be preferred. It would not be too difficult a matter for the Government to persuade itself that the wiser and safer course would be to suspend specie payments, perhaps even declaring the bank notes a legal tender. A more plausible case could be made out in favor of such action than was found sufficient to justify the issue of the greenbacks of the Civil War. Yet such action would mean the break-down of our financial system.

This is, of course, looking into the future and anticipating a state of disaster which may never come. But a system which bids fair to break down in time of disaster should be remodelled before disaster comes. And we should not rest too confidently in the notion that disaster can never reach us. It is only thirteen years ago that the burden of supporting its paper and silver currency brought the United States within twenty-four hours of suspension.

It is not the purpose of this article to advocate any particular plan of reform. Certain conclusions, however, may be drawn from the foregoing discussion. In the first place, our bank-note system can never be sound until it is separated from the Government debt. Such separation, however, will necessitate the refunding of the national debt at a rate of interest high enough to make the bonds attractive to investors. This is a situation which the country must face squarely sooner or later. We cannot have a sound currency system and at the same time borrow money at two per cent. We cannot have our cake and eat it. In the second place, plans of reform which, in seeking to instill an elastic element into our currency, overlook the deeper defects of the bond-secured notes, should be subjected to the closest scrutiny. Such plans involve the double danger of increasing the evils of the present system and of making the progress of reform even more difficult than it is to-day.

---

1 We are not considering the third alternative of issuing bonds at a heavy discount.

THE ENTERPRISING BANK.

By Newton D. Alling, of The Nassau Bank, New York City.

IN taking up the subject of how a bank should be conducted in order most strongly to appeal to the merchants and business men of its neighborhood as a desirable depository for their current funds, we had best approach it from the top.

The spirit of the management should be, that the bank is more or less of a public institution; that it is not run for the benefit of any one man or set of men, and that it acts as an aid and accessory to its depositors and not for the purpose of squeezing every dollar of profit out of them that they will stand. To this end the majority of the stock, instead of being held in a block, should be distributed in as many hands as possible, and especially among the bank's own customers. The directors should stand ready to buy at a certain figure any that is offered, and to let it go again to any well-meaning friend of the bank who intimates his desire to become a stockholder. This tends to broaden the bank's influence and to add to its zealous solicitors for accounts in a legitimate and sound way.

Make-up of the Board.

The board should be composed of men engaged in commercial pursuits; of course, of faultless reputation, and one far removed from any taint of stock-jobbing or speculation. They should, as far as possible, be chosen from such trades and lines of business as are affiliated with the bank, both on account of future and possible customers knowing them and taking their names as a guarantee of honorable and safe conduct of the bank's affairs, and on account of their (the directors') intimate knowledge of credits in their own particular lines of business.

Loaning to Depositors.

The funds of the bank should always be loaned, if possible, to its depositors. They contribute to those funds, why are they not entitled to the first call? The excuse of having no funds to loan should never be availed of unless general conditions are such that it is imperative. The ease with which loans may be made to brokers, the high rates sometimes offered, and the knowledge that they may be called without compunction, is very tempting to many bank officers, when they compare it with the intimate knowledge, faith and inquiry, which are necessary, and the obligations involved in loaning to their own customers. Much the same may be said of buying paper. It may be allowed to run off at any time and there is no aftermath; but also it may be said to bring no new business and holds no business.

We can readily see how the most tempting offers of interest on daily balances, collecting free of exchange, etc., may be turned away by a depositor who knows that his request for accommodation is always welcomed by his bank. Again, it is by aiding firms when their capital is small and their business growing, that the bank finds itself, in a few years, with some big balances to their credit. Of course, this must involve a great amount of trust and confidence in the men with whom one is dealing, and it necessitates a good knowledge of human nature.

It is related of Lyman J. Gage that he considered a man's character as the best of security and that he conducted his bank accordingly, with what results we know.

Treatment of Customers.

As to the treatment of customers, it is probably unnecessary to speak. That they should be made always welcome and their desires attentively listened to, and willingly accommodated, goes without saying. This applies all through the bank, to teller and bookkeeper and

adjuster. We all know the feeling of disgust with which we receive advice from a tradesman to buy almost the opposite of what we have asked for, and probably a depositor feels the same way. If he asks for five-dollar bills in a certain quantity and tens in another quantity, he is not particularly pleased to have the teller reverse it and tell him that is what he really needs. If he asks for new money he does not want to be told that old money will buy just as much. If he asks for nine dollars' worth of quarters he does not want to be told that quarters only come in ten-dollar rolls. If he asks to have an out-of-town note wired for he does not want it explained that the mail will do just as well. If he wants a note presented elsewhere than where it reads payable, he does not want to be told that that is the only legal place to present it; he probably knows that.

Elasticity of Banking Rules.

A very flagrant form of abuse toward the depositor is in sticking too closely to the rules. For instance, a depositor brings in his pass-book and asks to have it balanced at once, and is met with an elaborate explanation of the number of books preceding him and how it is necessary for him to await his turn. Yet probably he has some specific reason for wishing it done at once. Possibly a directors' meeting, or the accountants may be going over his books—or a dozen different reasons which are imperative to him, and yet there he stands listening to a long discourse on banking customs and rules, which takes longer than the favor he has asked would have taken. Another rule which can be "honored in the breach" to advantage, is the opening and closing hour. To a customer it is sometimes a great convenience to have a check cashed even though it be not between ten and three. In the case of a large pay-roll it may be of great importance that it be at the office early in the morning ready to make up.

Of course, the breaking of the recognized rules of banks must be done with more or less judgment, that no injustice be worked to others and that the bank's work does not become disorganized; but that is the secret of all things, like it is with fishing where you must fish with a loose line, but not too loose.

But the point is that people who ask little favors and have them readily granted go away satisfied and feeling kindly disposed toward the bank instead of irritated. They are warm friends instead of lukewarm ones. They are glad to speak a good word instead of the "faint praise that damns."

In short, "give them what they want when they want it," and look pleasant. There is a story told of an applicant for favors of Governor Tompkins, of New York, who was a very suave and courtly man, and of Governor Clinton, who was gruff and plain-spoken, that he said he would rather have his favors refused by Governor Tompkins than have them granted by Governor Clinton. Its all in the way it is done.

In closing, let me say that there should be in the bank force that *esprit de corps* which is so essential to the success of any organization of men. This must come from the top down, and is imbued by a friendly bearing of equality toward all, which is by no means hostile to dicipline.

FICTITIOUS PRICES OF GOVERNMENT BONDS.

THAT the present prices of United States bonds are artificially inflated is well known. Professor Fairchild of Yale says on this point:

> Our national bank notes are safe because they are secured by Government bonds, and our Government bonds are valuable because they are security for national bank notes. This looks very much like lifting oneself by one's bootstraps.

THE PARTIAL RESPONSIBILITY OF SECRETARIES GAGE AND SHAW FOR THE CRISIS OF 1907.

By A. Piatt Andrew, Professor of Economics, Harvard University.

Editorial Note.—THE BANKERS' MAGAZINE, as is well known, has steadily opposed the policy of "aiding the money market" pursued with such industry by Secretary Shaw, and to a less extent by his predecessor, Secretary Gage. It has been disposed, however, to find fault with the Sub-Treasury system itself, rather than the administration of it. The remedy rests with Congress. If former Secretaries Gage and Shaw object to any statements made by Professor Andrew, they are cordially offered space in THE BANKERS' MAGAZINE for reply to his criticisms.

EVERY one is conversant to-day with the peculiarities and shortcomings inherent in our independent Treasury system. The frequently embarrassing withdrawals of money from circulation in periods of prosperity when currency is in urgent demand, the reinjection of the Treasury hoards into the circulation when the currency is already redundant, the exaggeration of these embarrassments on account of the lack of a balanced budget—these have become commonplaces too trite to require illustration or proof.

Intervention of the Government in the Money Market.

These obvious and admitted deficiencies of the system have, however, been much appealed to in recent years to justify interventions of the Government in the money market, and perversions of the law, which were in no way necessitated by the deficiencies in question. For more than fifty years after the establishment of the independent Treasury, successive Secretaries had from time to time been confronted with the awkward consequences of the system, and had tentatively dealt with them by expedients of one sort or another that were in accord with the letter and spirit of the statutes, but without attempting to intervene in the financial world other than to remedy the difficulties arising from the Treasury system. Within the first decade of the Treasury's existence, Secretary Guthrie found himself confronted with an accumulating surplus, and proceeded in 1853 to its reduction by the purchase of Government bonds in the open market. Secretary Cobb adopted the same remedy for a similar situation in 1857, and several of the later Secretaries, when the Government revenues proved superabundant, have followed their example. Secretary Fairchild, in the period of the great surplus of the eighties, resorted to this method upon a larger scale than any other Secretary, and used the surplus in the year 1888 for the redemption of some ninety-four millions of Government bonds in advance of their maturity.

Deposit of Public Money in the Banks.

After the establishment of the national banking system another method of reducing an uncomfortable surplus was offered in the provision that the public money (except customs dues) might be deposited in the national banks. This, however, was regarded as an exceptional measure only to be employed in peculiar emergencies, and no considerable resort was ever made to the banks as depositaries for ordinary revenue until within the last decade. In the course of the war the banks which assisted in the placing of loans were temporarily allowed to retain the funds obtained from bond sales, sometimes to the extent of thirty or forty millions. Throughout the seventies, however, the public deposits seldom amounted to as much as ten millions, except during the refunding operations of 1879, when the proceeds of new bond sales were

left in the banks pending the repayment and withdrawal of old bonds. During the eighties the deposit of public funds did not rise above fifteen millions, until the years of the great surplus, 1887 and 1888, when Mr. Fairchild, in desperation because of the Treasury's absorption of money, allowed the accruing revenues to be deposited in the banks until in April, 1888, the public deposits reached sixty-one millions. Up to that time the maximum amount entrusted to any one bank (except on loan account in the case of bond subscriptions) had been $500,000, but Mr. Fairchild raised the allowable deposit to $1,000,000. For these acts he was vehemently attacked in the public press, in campaign speeches, and later by his successor in the Treasury Department. Under Secretary Windom deposits were again brought down to a working balance of less than twenty millions, and there they remained until the later nineties.

Until within the last decade the use of national banks as depositaries had been treated as an exceptional measure. The national banks had been in existence for more than thirty years, but the Federal Treasury and sub-Treasuries were still regarded as the normal custodians of the Government money. In one period of heavily redundant revenues, Secretary Fairchild had gone so far as to deposit a little more than one-sixth of his total balance with the banks, but this policy had provoked general criticism, and had at once been reversed by his successor in office. Until within the last decade also the Treasury had never ventured to intervene in the money market except in moments of really great distress such as the outburst of an unreasoning panic. Secretary Cobb, during the great crisis of 1857, and Secretary Richardson, in the memorable crash of 1873, had helped to restore confidence by buying Government bonds on the market, but aside from such utterly exceptional occasions, one can say with approximate accuracy, that the Treasury, since the establishment of its independence in 1846, had held aloof from the permutations of the market, and had made no effort to control it in one way or another. Nor had any Secretary ever attempted, or probably ever thought of attempting, to render the currency responsive to the changing needs of trade by the deliberate manipulation of the public funds.

A Change of Policy.

During the administration of Secretary Gage one begins to note the transition to a new view of the Treasury's functions and a new use of the Secretary's power. For the first time the Treasury's policy appears to be influenced by the rate of interest prevailing in the financial centres, and by the condition of the stock market. In the course of Mr. Gage's period of office, the balance in the Treasury, partly as a result of good times, partly as the outcome of Spanish war taxes and bonds, once more mounted to high levels. It did not, however, reach the record heights it had touched during the administration of Secretary Fairchild. Nevertheless, during the acute stringency in the financial market in the autumn of 1898, Mr. Gage not only attempted to relieve the situation by prepaying the interest and capital of bonds, but he saw fit to allow the deposits with the banks to rise from about twenty-eight millions to ninety-five millions. Again, in the stringency of the following autumn, 1899, although the Treasury balance was no larger than the year before, the public deposits were increased to one hundred and eleven millions, which constituted more than one-third of the Treasury's total balance. Mr. Gage's deposits were thus almost double the maximum reached under Secretary Fairchild, although the Treasury's absorption of money had not been so considerable. Moreover, it later appeared that a single institution, the National City Bank of New York, was made the recipient of more than fifteen and a half millions at a time, while another affiliated New York institution, the Hanover National Bank, was given the use of deposits

amounting to more than four and a half millions. The largest award to any one bank in Mr. Fairchild's time, it will be remembered, was limited to one million.

THE POLICY OF SECRETARY SHAW.

The change in policy foreshadowed and initiated by Secretary Gage became a full-fledged reality with Secretary Shaw. With him it became the avowed endeavor of the department to check every incipient stringency, and to prevent any contraction of credit, no matter what might have been its cause. During the five years of his service the traditions of a half century were completely set aside. The laws which had been carefully framed to limit the relations of the Treasury, were twisted and violated now this way and now that. The independent Treasury system became practically extinct. Mr. Shaw apparently could conceive of but three evils in the financial world: high interest rates, a decline in the prices of stocks, and a contraction of credit; but these evils, in his opinion, were so serious that they were to be corrected at whatever cost. Whenever any of these evils seemed imminent nothing could prevent him from forestalling them. In the autumn stringency of 1902 he anticipated interest payments, and bought bonds in the open market as many of his predecessors had done; but when these measures proved insufficient to bring interest rates down, he also launched two new experiments of doubtful legality, one of which at least was of very questionable expediency. He offered to accept other than Government bonds as security for deposits of public money, in the hope that he could stimulate an enlargement of the public deposits and of the note issue at the same time. He also informed the depositary banks that they need no longer keep cash reserves against their holdings of public funds. This measure at once affected about one hundred and thirty millions upon deposit throughout the country, of which forty millions were in New York. The ruling would, if carried out, have added ten millions in New York city alone to the amount held as reserve against other deposits, or the basis for forty millions of new loans, while in other parts of the country it would have justified a credit expansion of ninety millions. In New York, however, the clearing-house association conservatively and wisely agreed not to accept the offer, and have continued the old reserve requirements against their members down to the present time.

By the end of December, 1902, Mr. Shaw had increased his deposits with the banks to such an extent that they totalled over one hundred and fifty millions.

In the following summer, that of 1903, Mr. Shaw repeatedly assured the public that he would allow no stringency in the autumn, and toward the end of August he revealed the reasons for his assurance. Up to this time it had been the unquestioned belief of the department that revenues once turned into the Treasury could not be taken out and deposited with the banks. When Mr. Fairchild and Mr. Gage had made large deposits with the banks, they had merely allowed the internal revenue to accumulate there as it was collected. This was a slow process, and limited the Secretary's power of relieving the market to about half a million a day. On August 27, 1903, Mr. Shaw announced that according to his ruling, money could be transferred *en bloc* from the Treasury vaults to the banks, and that he had on hand about thirty-eight millions available for that purpose. In other words, he announced to the banks before any panic had occurred, that he intended to assist them if they were in need, and that he was ready to assist them upon a scale never before conceived possible. He held the entire Treasury balance ready to use in support of what he took to be the needs of business. No statement could have made more explicit his notion that it was the function of the Government Treasury to guard and protect the

money market, to keep interest rates down and to prevent credit contraction. During the autumn of 1903 the Government deposits rose to one hundred and sixty-eight millions.

In the course of the Presidential year, 1904, trade slackened; there was no tension in the money market; Mr. Shaw's ingenuity was put to no further tests; his paternal policy was not brought into requisition.

In the autumn of 1905, however, business had resumed its prosperous advance, the stock market was buoyant, and money rates ran high again. In the face of severe tension, stocks nevertheless continued to rise, the general belief at the time being that the Secretary contemplated his usual assistance to the banks. For some reason, however, on this occasion, Mr. Shaw abstained from his accustomed intervention. It may have been because of a natural aversion to doing what he was expected to do; it may have been because the Treasury balance had declined to the lowest point it had touched since he had assumed office; it may have been because the administration was sensitive to the criticisms that had been raised against his earlier practices; it may have been because of the continued advance in the stock market which seemed to render Treasury assistance superfluous. Whatever the reason for his apparent change of policy, the period of his abstinence from intervention in the money market was not destined to last long.

Early in the next year, 1906, the bank reserves in New York revealed a deficit; many stocks began to decline; there were unmistakable signs of impending contraction. Mr. Shaw once more resumed his policy of supporting the market, first of all more or less surreptitiously, then openly. His first step was a private arrangement with the most influential of the New York banks, by which that institution was to import gold, and be allowed to count the metal in transit as part of its reserve. This peculiar and unannounced arrangement went on for several weeks, possibly months, before a similar privilege was openly extended to the other banks. Not until April 14 did Mr. Shaw make virtually the same offer publicly and without discrimination. He then announced that he would deposit Government money with any bank which engaged to import gold, so that interest would not be lost during the period of shipment. Mr. Shaw claimed that in this way approximately fifty millions were brought from abroad, and at any rate forty-nine millions were deposited in the New York banks, or the basis for a loan extension of nearly two hundred millions. Of these forty-nine millions of public funds it is worthy of passing note that thirty-one were placed with a single institution, the National City Bank.

In the late summer the stock market entered upon its last ill-advised upward swing, under the lead of influences that are well known, and in September the bank reserves again revealed a deficit. Once more Mr. Shaw poured oil upon the fire and repeated his operation of the previous spring. This time forty-four millions of the Government money were turned into the New York market (of which twenty-five went to the National City Bank) ostensibly as an artificial stimulus to the import of gold. They represented Mr. Shaw's last effort to prevent a contraction of credit, his last contribution to the advance of the stock market, for before another period of money tension had arrived, Mr. Shaw had withdrawn from public life, and had been welcomed to other fields of usefulness.

Effects of Treasury Intervention.

Events have moved rapidly since Mr. Shaw left office, and we are already in a position from which we can survey some of the consequences of his policy in perspective.

For an entire decade banking credit had been expanding with scarcely a momentary halt. The movement in its duration and extent was doubtless in large part attributable to the vast additions made during the period to the

money supply in the way of gold and bank notes. Nearly a billion dollars had been added to our supply of gold and about three hundred millions to our bank circulation, which meant an average annual increase for ten years of about one hundred and thirty millions. A considerable part of this increase had passed into bank reserves and had naturally formed a basis for enlarged credit. But the community's credit, as registered in bank deposits, had increased far more rapidly than the money supply. The total of individual deposits in all of the banks, according to the Comptroller's figures, had increased at the rate of about five hundred and ninety millions per year. Nor did this merely result from the fact that upon a given basis of money a multiple quantity of credit can always be created. It meant more than that. It meant that the proportion of credit to the currency in the country had also been increasing, for the ratio between the country's money and the bank deposits in 1896 had been as 100 to 182, but in 1906 credit had increased, so that the proportion stood as 100 to 310,

It is worth while also to examine the relative proportion in which different classes of bank credit had increased, especially in New York where Mr. Shaw's operations had been most extensive. Here one can see most plainly the traces of his policy of stock market relief. If we compare the classification of loans in the national banks of New York city in September, 1896, with the same classification in September, 1906, we find an altogether disproportionate and enormous increase in the loans to the stock market, as compared with industrial loans. Loans on time against commercial paper had increased by seventy-three per cent., but loans on time secured by stocks and bonds had increased by one hundred and seventeen per cent., and loans on call secured by stocks and bonds had increased by as much as one hundred and seventy-five per cent.

Much the same story of disproportionate credit in the security market is told by the statistics of price movements during the period. The index numbers constructed by the Bureau of Labor registered a rise between 1896 and 1906 in the prices of raw commodities of forty-nine per cent.; in the prices of manufactured commodities of thirty-seven per cent., and an average increase among all commodities of thirty-five per cent. To the average weekly wages of workingmen an increase of eighteen per cent. was attributed. If, however, we set alongside of these figures the movements in the prices of securities as tabulated by the "Wall Street Journal," we find a most startling contrast. In the case of twenty leading railroad stocks, the increase in price amounted to two hundred and twenty-eight per cent., and among the twelve leading industrials, the rise in prices reached even as high as two hundred and sixty-eight per cent. Security prices had been carried upward beyond all reason, and beyond all proportion with their earning capacity. Figures recently published show that the dividends of twenty leading railroads at the topmost prices of 1906 scarcely average a yield of more than three per cent. Some, like the Philadelphia & Reading, offered less than two and a half per cent., or below the normal yield of a gilt-edged first mortgage bond. These rates, it must be remembered, were particularly low because they occurred in a period when money was depreciating, and when interest rates would naturally have been high. One of the reasons for this anomalous condition unquestionably was that Mr. Gage and Mr. Shaw had for the greater part of ten years resisted with all the vast resources of the Government Treasury, the natural tendency of interest rates to follow the rising level of prices. They had, in fact, succeeded in keeping the money rate of interest below the rate which would have been "normal" or "natural" with a depreciating currency. They had kept alive a continuously excessive demand for credit, by making it available at less than the normal cost. They had

sown the wind and their successor was to reap the whirlwind. They had helped to raise the tower of credit to a tottering height, and now the slightest agitation of any sort was sure to bring collapse.

Secretary Cortelyou Follows Bad Precedents.

Mr. Cortelyou became Secretary of the Treasury on March 4th, 1907, and before he had had time to settle himself in his new office, or to outline any general policy, the fiduciary structure fostered by his predecessors began to waver. Within ten days of his assumption of office the stock market experienced the most severe recession of several years, and Mr. Cortelyou found himself, swept along by the precedents of Mr. Shaw, now extending to the banks relief in the form of more Government deposits, now offering again to accept railways bonds as security for such deposits, then offering to anticipate interest payments and also to redeem bonds in advance of their maturity. In thus retracing Mr. Shaw's footsteps he apologetically explained that this action must not be regarded as a precedent. It was even implied that eventually he hoped to arrange the affairs of the Treasury so that the department would not have such close relations with the New York market. This idea seemed to be confirmed early in May by the announcement that he had appointed a commission of five to consider the whole question of the deposit of public funds in the national banks.

In August, however, came a second and more severe set-back in the stock market, and Mr. Cortelyou by this time seems to have adopted his predecessor's theory as to Treasury responsibilities, for on the 23d he came forward with a plan which may almost be said to have out-Shawed Shaw. He announced, that beginning with the first week in September, he would make deposits with the banks regularly for a period of at least five weeks, and that while so doing he would publish no information as to the amount of these deposits, or as to the manner of their distribution. He also suggested, that in his opinion, this was a plan which might with advantage be followed annually in the weeks of autumnal stringency. In the course of the next six weeks the deposits of the Treasury with the banks increased by about nineteen millions, and in the middle of October they totalled one hundred and seventy-six millions.

Toward the end of October came the third great break in the market, and the actual outburst of the panic, the details of which are too fresh in memory to bear repetition. It suffices to say, that in its three opening days, between Wednesday, October 23, and Saturday, October 26, Mr. Cortelyou turned more than thirty-one millions of the public funds over to the banks of New York city, carrying the total of Government deposits in the national banks of the country to the enormous level of two hundred and nine millions. The power of the Federal Treasury to support the tottering edifice of credit had, however, at last reached its limit. The props snapped under the overwhelming weight, the financial framework collapsed, and on Monday, October 28, the vast majority of the banks in the country suspended payments. Of the efforts of the Secretary in subsequent weeks to re-erect the fallen structure, of his increase of the Government deposits to two hundred and forty-two millions, and of his preposterous plan to borrow one hundred and fifty millions additional in order to turn them over to the banks, nothing need be said, except that thus far they have proved futile, and that the latter plan has been generally condemned as ill adapted either to afford immediate relief or future safety.

Failure of Paternalism.

Such is the story of the Treasury's decade of paternalism. Beginning modestly under Secretary Gage, it developed flamboyantly under Secretary Shaw, and has reached its logical and

helpless end under Secretary Cortelyou. It is a story of arbitrary and lawless meddling sometimes involving favoritism on the part of the Treasury. It is a story of resultant improvidence on the part of the banks involving in the case of the New York banks the lowest average reserves of any of the four decades since the national banks were organized. In the stock market it is a story of the most extravagant speculation since the Civil War. The end of the story has been the most general and prolonged collapse of the country's credit system in the history of the national banking system.

Treasury Should Be Divorced From the Money Market.

The completed record of these ten years shows very clearly the importance for the future of again divorcing the Treasury from the money market. One can not but hope that, with the return of settled conditions, either the commission which Mr. Cortelyou appointed last year, or Congress itself, will see the wisdom of putting aside the unhappy legacies of Secretaries Gage and Shaw, and will once more establish relations between the Government Treasury and the banks which are automatic and involuntary.

This end might be attained in various ways. It could, I believe, be best attained if the Secretary were required to deposit with the banks daily, all receipts in excess of a fixed balance, and if the deposits were made available upon the same terms to all national banks. The Treasury would then be relieved from any possible charge of discrimination or of market favoritism; and the banks would be debarred from the unwholesome expectation of outside relief the existence of which is to-day a continual incentive to unpreparedness. A solution of this sort involves of course the working out of various questions of detail in distributing the deposits, such as the question as to how far from the place of its collection surplus revenue shall be distributed; the question as to the relation between the amount to be deposited and the capitalization or resources of the individual banks; the question whether the Government shall charge a fixed rate of interest, or allow the banks to bid for the privilege of receiving the public funds; and the question whether the Government deposits shall be given any peculiar security. None of these questions, however, will be found insoluble, if subjected to earnest inquiry.

RESPONSIBILITY OF BANKERS.

CONSUL-GENERAL RICHARD GUENTHER of Frankfort advises that the supreme court of the Empire, the last legal resort in Germany, has, in several cases, fixed the responsibility of bankers when advising investments to their clients. He cites the following case in point:

One of the latest decisions of this kind was rendered against a bank which, upon receiving an order from a customer to purchase 30,000 marks (mark equals 23.8 cents) of a certain class of mortgage bonds, instead of executing the order wrote to the customer advising him to buy instead the mortgage bonds of another company, stating that the latter were equally safe and possessed some advantages over those ordered. The customer thereupon changed the order, according to the bank's advice. When the company issuing the purchased bonds failed he brought suit against the bank for the recovery of the money invested.

The court, in its decision against the bank, held: "The bank has not done its duty in taking care of its customer's interests when it recommended the purchased bonds to be as safe as those originally ordered to be purchased, because the bank should have known that the latter had the quality of legal or trust investment funds for widows and orphans, wards, etc." whereas the bonds advised and bought for the customer lacked that important qualification.

The bank was not asked for its advice by the customer, but obtruded it. It was also proved that the bank received a much higher commission for the sale of the bonds purchased than the percentage that would have been obtained in supplying the bonds originally ordered.

SOME DUTIES OF THOSE WHO DEAL WITH BANKS.

By Charles W. Stevenson.

(Continued from March number, page 358.)

II.—DUTY OF BORROWERS IN TIME OF PANIC.

THERE is something more than the mere payment of debt. There is an honorable conduct of business! Happily, the world has come, through the "acquisitiveness," the "propensity to trade," of which Adam Smith writes, to a high state of civilization, and with the spread of commerce, man's trust in man has spread. Credit is the foundation of all our business, and this credit is based not alone on the ability to pay, the moral ground of duty, but on the higher ethical ground, that the man who pays in the nick of time fulfills an obligation to the world of trade outside his own immediate transaction.

Not only have the relations of capital and labor been taught us by discussion, but business has made a code out of necessity which makes for the best interests of all men. The merchant who brings the products of the world to your door does more than sell you the goods for a fair profit. He contributes to your happiness and comfort, in addition, and the manufacturer who forms the machine out of the inchoate elements brings light and liberty to the whole world. So, too, the maker of credit, the lender of his capital, does good beyond the rate of interest he exacts, and in this the bank is the most beneficent of modern corporations.

Commerce the Result of Mutual Interests.

Men now know that commerce is the result of the mutual interests of men. "Looking out for the other fellow" in the trade, is a law of deep wisdom. It is mutual benefit that makes men exchange. The medium of exchange is of little moment, so that it is the same to-day and to-morrow, and serves as a common denominator of values. The thing we now realize is that credit performs the function of money and makes the wheels turn.

With the multiplication of transportation facilities there has come a sense of interdependence. No man works to himself alone. All are concerned in the welfare of all. If trade makes its own laws, one of them is that the man who fails in honorable conduct, in integrity, or in ability, harms all those who have trading to do. The merchant, manufacturer, farmer and banker, are inextricably banded together in every transaction, however small it may be. The man who toils for his day's wage is dependent on the price of loans in London. The merchant who sells sugar over the counter is dependent on the facilities with which money can be borrowed to build ships, and the man who has the money to invest is dependent on the man who does a fair day's work for a fair day's wage. All are weaving in the loom that is civilization!

Therefore, the borrower and lender have mutual interests. The idea that the man with the money may grind another is relegated to the superstitions of the past. Only the man with the wicked heart may do this. Money is worth what it will bring. If a man charge another a rate of interest that is permitted by the conditions of business, he is working him no hardship, is doing his own conscience no injury. It is the man who takes occasion to press another, under a condition to which he was an original party, who becomes the oppressor. The mutual interest of borrower and lender demands the same treatment of one that it does of the other. If, when money is plentiful and rates are low, the borrower can make an ex-

cess of profits; then, when rates are high and money is scarce the lender should have his day. The law is not only the law of self-interest but of helpfulness as well. It is the law of mutual advantage. The high rate goes with the need; and man pays for need, and so it is that whether there be a large lender and a small borrower or a small lender and a large borrower, the mutual relation is the same.

Advantage of Fluid Assets.

Coming back to the bank as a lender, we note that the fluidity of its assets is one of the chief advantages it is to trade. It has money on hand to lend nearly all the time, because all men are not borrowers at the same time. It is the same with its deposits; all men are not using their credits or their cash balances at the same time. Part of them remain in the bank, and this institution, by the peculiar nature of its business, becomes a manufactory of credit, and this is of great benefit to business in general. It enables A and B to go on with their different enterprises, confident they will be able to borrow of the bank when they need to. If there were not this fountain, this never-failing supply, men would not be able to begin an undertaking until they had obtained the money. They would have to get it and lay it away in advance.

The bank has fluid assets. It is ready, save in times of stress, to care for its customers, and this discloses the duty of the borrower. If the bank supplies many out of its credit-power, the man who pays aids it in doing so. He makes the wheels go round, with the others. It is the man who refuses to pay, who compels the bank to realize on his slow assets, that harms his fellow tradesman by destroying the fluidity of the bank's assets.

It is because the bank is ever ready that men wait until they need before going thereto. But if this is a privilege of modern business, there is the further duty to pay when due, to meet every request and requirement of the banker, and it is to the praise of the business world in general that men do conform to banking rules and make every effort to meet requirements, even to the sacrifice of the cherished ambitions and the loss of profits. There is to-day a mutual respect between business men in their methods that the world has never attained before.

In times of stress there are many individual borrowers who sell their goods at a sacrifice to meet notes due in the bank. The larger the dealings the more this is to be noticed, though the country merchant is as strenuous in making his collections to meet his note at the bank as the city merchant is. The latter, however, is put to greater exertions to meet the need. When panic comes, he feels first the hard times that creep on. If he be a man in the dry-goods business, where fashion and season cut such a figure in sales, he puts his goods down to the very lowest price and pays his banker! By doing this he makes a voluntary sacrifice for the good of trade. He must pay. This he knows. But he more gladly pays when he remembers that the bank must carry not only himself but the man who buys from him. By paying the bank it is kept in shape to supply the purchaser with funds to buy his goods. Credit is based on credit many times multiplied, and the man who continues to do business as before is the man who aids in easing a situation which if maintained long brings hardship to all.

That the individual, then, has a duty in the premises, aside from the mere paying of the debt, is apparent. He really helps himself, for the sooner the stress is over the better it will be for him. It will be over sooner by his heroic action in making his prices suit the times. To-day, following our recent financial stress, we note that the merchants are offering discounts, through the medium of newspaper advertising, that have never been seen before. It is a sense of duty as well as necessity which prompts this. The merchant who sells and pays will live to

sell again. This is the law. And the borrower who first hastens to the counter with the money on his note is the man who does most to make business normal. No selfish purpose to succeed at the cost of others will win in the long run. The man who pays his banker when the latter calls is the man who is sensitive to all the needs of trade, and considerate of others. For the banker never calls a loan save on good grounds. It is the nature of his business to lend all the money he can and make trade as lively as he can. But when there is a contraction of credits on hand he waits until he must, then there is to be no delay. The money must be forthcoming. It is no pleasure to him to make the borrower pay rather than renew. It cuts off his profits. But it keeps the factories running and labor employed, more than if credit were allowed to collapse by its own weight. Better that all do a reasonable amount of business than that a few do a large amount of business. And the borrower, as he now knows, borrows not the funds of the banker alone but the funds of the community in which he does business, the balances, indeed, of the very men who come to his counter and his shop.

Payment of Dividends on Corporate Stocks.

In the same way the corporation, when it borrows on long time the small savings of the workers of the land, through the issuance of its bonds, is bound to pay in time of stress and should so manage its business that it will be able to meet all dividends promptly in cash. It is interest here that counts to the man of small means. He does not want his dividend in stock, and should not be paid thus. The matter of profits of stockholders and salaries of officers during the continuance of a depression should be subservient to the payment of the customary dividends. For here, too, the contribution to the public is great, greater than the mere payment of the money due. To seek to win great advantages by passing dividends is to take from the interests of those who cannot help themselves since they are non-participating shareholders, and need their dividends for current expenses.

It is because of these many reasons that at the present time it is incumbent on the borrower to think well of all his business acts before doing them. It is a time of stress. There is a slowing down of the race for gain. There is a period of contraction coming on which is inevitable. Many men see in this an opportunity for great gain. But when the bank calls, let such a man know that the banker is not looking for a means to enable a few to succeed at the expense of the others. If he refuses to make a loan for reasons that he does not explain in full, let the would-be borrower know that he is doing so because of a high sense of duty. It is the duty of the borrower to comply.

The bank, because of its credit-making power, exercises special supervision over business. At the same time it is a servant thereof. The crisis which must inevitably follow to some extent the panic through which we have lately passed will be minimized by the banker from his high vantage point. He will aid men in meeting their engagements as far as he can. But he will not imperil many to save one. It is idle to ask it. It is wrong to expect it. The banker holds the pulse of the business world. He prescribes the need of the hour. His whole thought and duty is to make the best times for the people he can. For it is then, and then alone, that he is at ease himself, and making money in proper degree. This it is the duty of the borrower to know.

The man who strains his credit with his banker at a time like this must be dulled to the responsibilities of trade, and the duties which grow out of its mutual advantages. There is a period of liquidation necessary because of the over-expansion of credit. The sooner the average is reached the sooner business will open up as of old. The borrower must meet the issue in a spirit of fairness to all.

*A LITTLE MATTER OF INTEREST TO THE SAVINGS BANK.

By William H. Kniffin, Jr., Cashier Home Savings Bank, Brooklyn, N. Y.

SUCCESS in banking depends primarily upon two factors: management and interest, each being more or less vital. Management will include the general policy of the bank; the standing and ability of the men; the treatment accorded patrons; advertising methods, and the like. The interest rules and rates, both as affecting the depositor and the bank, will have much to do with the making of an institution, and while this feature is up for discussion at length, yet the element of management must not be overlooked in the conduct of every enterprise that bids for public favor, and whose success depends solely upon the winning and the holding of that favor.

Conditions differ; population varies; earning capacity and habits of thrift depend upon environment and training, and to compare one bank with another intelligently one must be conversant with these facts.

The Element of Management.

Situated a few blocks apart in Greater New York are three savings banks. One was organized in 1851 and now has fifty million dollars on deposit; the other started in 1860 and musters twelve millions; the other began business in 1864 and has but seven millions.

To account for the larger growth of the one as against the others in the same territory is a difficult matter. The opportunities have been the same; the interest rates quite likely uniform, and so far as is known in the past, and certainly at present, the *rules* have been in favor of the smallest.

Age alone could not have done it, for only a few years intervene, and we have but two solutions left: management and an attractive building. This imposing structure overtowering the smaller banks naturally had much to do in influencing deposits, some good bank men to the contrary, notwithstanding. Fine buildings are costly to own and to maintain, but they are ever a valuable asset. The average man cannot digest a bank statement. Frequently he does not know the men behind, but he can see a fine building, and it conveys to him the idea of stability, permanency; and, other things being equal, he will take his money to the bank with the big building and—a good reputation. This is history and this is human nature.

It took a little country bank twenty-five years to get its first million—without a building, but with a modest and attractive home it got the second million in one-fifth the time. How one bank could double its resources in fifteen years in the face of a huge defalcation, a consequent run, and, in order to avoid receivership, a scaling down of each

* A number of other papers treating of matters of practical interest to savings banks have been prepared by Mr. Kniffin and will be published in subsequent issues of the Magazine.

deposit to the extent of fifteen per cent. and much unpleasant notoriety in consequence—a bank with a "black eye," as it were; how this could be done, while its neighbor just across the street with an attractive outfit, a clean record and men just as good, crept along at a slower pace, can be attributed to nothing but good management and persistent advertising, coupled with the forgetfulness of the public mind.

Many banks in their policy are "penny wise and pound foolish." To charge a good customer two cents to answer his letter may be good business, but if it alienates his good will, it is mighty poor management. While I do not belittle good men, both on the board of trustees and in the cage, and not forgetting that good management has been the secret of many successes, yet I hold that interest rules and rates have also played an important part in the building up of many banks.

Advertising Their Rates.

To take a casual glance, pick up any good magazine and therein will be found the advertisements of a dozen banks in various parts of the country. They want money and evidently want it badly—badly enough to make it an object "to see us." Now, it will be noticed that they do not advertise their assets, their men, their laws—the three elements that make for goodness in banking, for what cares Bill Jones who handles his money, *so long as he gets five per cent.!* "Tom Johnson's Bank" of Cleveland, Ohio, is trading on the notoriety and unique personality of Mr. Johnson, and a clever scheme they have (no charge for the ad.), but this is the most notable instance at present of using one's fame for banking publicity.

If we judge the matter rightly, these mail-order banks draw their funds principally from localities where interest rates are low and rules strict, for it will again be noted that the chief characteristic of their advertisements is their *large rate,* larger than prevails at home —otherwise why go so far with money? Their liberal rules also must appeal very strongly to the average man. Some years ago the writer answered one of the aforesaid ads., and he is still on the mailing list, periodically being called upon to "bank with us—and we will do thee good!"

The assertion is ventured, that had the seven million dollar bank above referred to paid five per cent., while the others paid three and one-half, the result would have been different. The people care not *how* the bank man gets it, or *where* he gets it, so long as they get their share when they want it. Tell us why the good people deposited a million dollars in a commercial bank†—*interest department,* which should have gone into the old-time savings bank with a clean sheet, doing business on the same block and paying the same rate, and we will tell you the secret of banking success. Could it have been from the fact that the commercial bank pays on daily balances, while the savings bank pays from quarterly periods only, and the *little matter of interest did the trick?*

Department stores all over the country are opening banking departments—"borrowing without borrowing" at four and one-half per cent.—or more. Of course, to borrow from the public is cheaper and better than borrowing from the banks—the public is not so strict a paymaster—but why will the good people put their money in these "banks" with nothing but neckties and notions, delicatessen and deceit back of their money? Why? One-half of one per cent. is an all-powerful attraction, that only the strongest can resist.

There was a time, not so many years ago, when one could get interest on savings account in but one place—the savings bank. But to-day, in every small town, commercial banks and trust companies are bidding for the people's money—and won't be happy 'till they get it! The bank man of to-day has a different situation to face than had his grandfather, and must adopt new methods, if he would hold his own. Com-

† This bank has since closed its doors.

petition is rife and interest rates are often ruinous, and the question is not: How much *can* you pay, but how much *will* you pay?

Only a Little Matter.

In this little matter of interest, some good folks exhibit their "smallness." The good lady who deposited thirty dollars with the Bizzy Bee Savings Bank at three and one-half per cent. and protested when her interest was entered at fifty-two cents each half year, instead of fifty-three cents for the latter half, and stuck out for her penny—and got it—is typical of many.

Likewise the good folks who journeyed sixteen miles in order to put their money in a four per cent. bank (four per cent. up to $1,000 and three and one-half per cent. on the excess), while their local bank would pay three and one-half on the full amount, and actually losing money on large deposits, these were doing only what is done the country over in the mad scramble for a little matter of interest.

Three and one-half per cent. under certain rules may be much better for the depositor than four per cent. under other conditions, but the bank man cannot run a business college and give each patron a course in finance to acquaint him with these details.

The New York "World" of January 14 contained a list of thirty-five trust companies of Manhattan alone that had lost two hundred and fifty-eight million, nine hundred thousand dollars in deposits between August 22, 1907, and December 19 of the same year. Just how much of this vast sum was "savings bank" money, attracted by the greater and more liberal interest rates, is a matter of conjecture; but it must have been considerable.

But in this, as in other matters, a custom becomes an abuse, and then legislation steps in to right the wrong. Under date of January 21, Superintendent Williams, of the New York Banking Department, said: "Banks of discount in New York, with capital of twenty-three millions, are doing a savings bank business. The safeguards thrown around the deposits in savings banks are lacking in the case of discount banks." "It is a difficult problem," he said, "but I would prohibit the giving of interest in New York city banks of discount on accounts of less than one thousand dollars. The minimum could be reduced in other cities. I want the savings deposits safeguarded. I would allow these banks to pay interest, but they must segregate these savings accounts, protect them as in the regular savings bank business. The menace to the safety of banking institutions in this state is the interest basis. All we can do is to reduce it, not as a hardship upon the people, but to insure safe banking. It is the root of the whole evil."

Interest Methods in New York.

Having occasion to inquire quite closely into the methods, rates and rules of all the savings banks of New York State, the attached tables will give the results. The column headed "Net Cost of Money" contains figures furnished in the majority of instances by the banks themselves. The method of computation is not known, but the Bank Department, in estimating the accrued interest on deposits, takes the dividends at several previous periods, and, adding together, divides the amount by the total of the deposits at the same periods, and thus gets an average rate. Some authorities do not sustain this method, but in instances where the banks would not, or did not, give the estimated cost, for want of better term, the state report for the year 1906 has been used as a basis, and the figures arrived at as nearly as could be done from outside information.

It will be noted that the banks of Greater New York, with one exception, operate under the quarterly rule; i. e., money draws from the quarter days, January 1, April 1, July 1 and October 1, if left until the close of the period. While "up-state" the custom seems radically different, for out of eighty-five listed, forty-four pay from the first of

each month; the others quarterly. The general custom is to require money to be on deposit on January and July 1, or other half-yearly periods, but some will pay if left until the quarter day.

The matter seems to be one of locality; banks in different sections following one another in both rates and rules. Note Albany, Buffalo, Kingston, Rochester, etc., and the customary reason is, "The other bank does it and so we do." Competition, as above noted, has driven many into more liberal methods, in order to hold their trade.

Just why the metropolitan banks adhere so closely to the quarterly idea is not apparent, and upwards of fifty letters were addressed to different banks asking the reason, and from the replies it would seem to be largely a matter of personal opinion and "follow the leader." It can readily be seen that as far as the bank is concerned, the quarterly is the more profitable method. but it would also seem to be a bit one-sided, and competition has yet failed to change the custom. To ask a man to leave his money with you without interest from the middle of January to the first of April, seems hardly fair to him, but as one bank man puts it, "We do not believe in giving the depositor all the profit there is in taking care of his money." From an equitable standpoint, and especially when interest rates are good and demand active, the benefits would seem to be all on one side. But when rates are low and demand slack, the case would be reversed.

Quarterly and Monthly.

The profits of a savings bank arise from two sources: first, the difference between the amount earned from investments and that which is credited to depositors as dividends; second, the accretions arising from deposits on which no interest is paid. This includes the time funds which are in possession of the bank without cost to it, and amounts withdrawn at inopportune times—lapses, as it were. These are no small item, for under the quarterly rule it is possible to have money nearly eleven weeks —the maximum—while under the monthly rule, thirty days, if no days of grace are allowed, would be the longest time for such earnings to accrue.

The labor item must be considered in this connection, for while it may not mean much to a small bank, yet to a large one it would be a question of additional clerk hire. Under the quarterly method, it is merely a matter of multiplying by one and two, and any schoolboy can do it; but from the monthly periods it becomes a matter of fractions, and is more of a task from every standpoint. Form No. 1 contains fifty active accounts, selected from a bank ledger, distributed quarterly. The interest total will be noticed later, but, as a matter of labor, it may be of interest to note that this sheet can be figured and proven in about four minutes, while Form No. 2, containing the same accounts distributed monthly, will take at least four times as long. The greater mass of figures will account for the extra labor, both in computing and proving.

Under the quarterly rule the tendency among depositors is to hold back their funds until the interest-bearing periods, and then all together make a mad rush for the banks, as the long lines of waiting people at the New York banks every three months, necessitating policemen to keep order, will testify. On such deposits the main source of profit—idle money—is gone, for the money begins to work for the depositor as soon as it begins to work for the bank, leaving only the small margin above noted as profit to the bank. Banks working under the monthly rule testify that this rule makes a uniform counter business, and has a tendency to encourage regular, systematic saving, as against periodical rushes; from many standpoints this would seem to be the most equitable method, if equity is to be regarded as a savings bank characteristic.

If the country bankers are to be relied upon—and there are a few such—the monthly proposition brings deposits—why not? Suppose you had a thou-

INT. BALANCE	6	5	4	3	2		INTEREST
305	100			160			360
325	125			200			450
30	15			10			40
460	310			100			720
175	67			108			242
37	5			17			27
750	300			285			886
16				10			10
100	50						100
315	15						30
222	105			87			297
400	300			100			700
70	30			40			100
10	5			5			15
150	100			50			250
330	50			280			380
115	50			55			155
45	15			30			60
165	120			45			285
602	200			92			492
605	350			150			850
1500	1431			69			2931
100	30			45			105
110	75			35			185
50	25			25			75
575	500			40			1040
1700	1600						3200
95	20			35			75
2102	2000			80			4050
185				150			160
126	40			60			140
60	50			5			105
1318	1050			126			2226
1000	150			850			1150
26	26						52
50	25			25			75
1056	854			92			1800
505	5						10
50	17			27			61
77	15			35			65
150	115						230
1507	800			707			2307
45	15						30
160	10			150			170
165	120			45			285
35	10			25			45
100	10			20			40
35	10			15			35
5				5			05
21	5			6			16
18134	11320			4466			27106

Form 1.—Containing fifty accounts distributed quarterly.

sand dollars, idle money; would you take it to the bank where interest would begin six, eight or ten weeks hence, or, other things being equal, to the bank that would pay you from about the time of deposit—the first of the following month, at the latest? Other things, mind you, safety, conservatism, reputation, being equal, the average man would go to the monthly bank, and so would you. Money follows liberal rules, if they are reasonable, as naturally as it follows high rates of interest, and the little matter of interest—not much in itself to either party; a matter of sentiment more than cents, this it is that turns the tide. Not many months ago, a woman crossed the East River and came to Brooklyn, after searching Manhattan in vain, to find a bank—a savings bank —that would take her $1,600 and pay her interest from the first of the following month, and we, like many others, had to refuse her good money.

The Cost.

As to the cost, note forms Nos. 1 and 2. Here is an aggregate of eighteen thousand dollars, the interest on this amount at four per cent. computed quarterly amounts to $271.06, while, if figured monthly, Form 2, it will total $296.41, a difference of $25.35, or .0935 more. A similar test made with upwards of eight hundred accounts, gave the same result. One bank, which has recently changed to the monthly idea, states that it costs them seven-tenths of a mill additional. Another, that their rate under the quarterly was .0335, while under the monthly it went to .0336, making a difference of $175 on $1,250,000 of deposits. This has been the experience of several banks that have worked under both rules. In large banks this would amount to considerable, but working on the theory of small profits and large volume, rather than small volume and large profits, the ultimate results would not be altered, in so far as the surplus is concerned. While it undoubtedly would be smaller in proportion, yet in substance it would be larger if additional money is attracted thereby. Suppose it were to bring in but $50,000 additional within the year, upon which the net profit was only one and one-quarter per cent., as against one and three-quarters under the quarterly, it would show a net profit to the bank of $625. This argument, of course, is based on the fact that it attracts additional money, and costs no more in clerk hire to handle the additional business.

The Manhattan banks seem to have abandoned the monthly rule as soon as substantial growth was attained and they could be more or less independent. One bank states that it made an active counter business and many people deposited money for one or two months and then withdrew it; but to overcome this some institutions pay for a minimum of three months, but if left over the period, will given seven and eight months' interest at the next dividend period. At any rate, I fail to see the point, for there is but little difference to the bank whether it be left for three months or only two or one; the proposition is practically the same—a short-time deposit.

An old bank with an established clientele can afford to be a little "stiff," both in rules and rates, but a new bank bidding for patrons must do a few things the other fellow doesn't—if they can be done legitimately and conservatively (and this certainly can), if a healthy growth is to be obtained. Fine buildings, large surpluses and big figures are for the aged, but for the youngster, struggling hard for a foothold, some little inducement must be offered; little things that please the people must be done, if success is to come. If one can be a little more polite and accommodating and, if possible, a little more generous, withal, doing as we would be done by—and doing it first—here is a drawing card of no mean proportions.

The proposition seems equitable, to say the least; many say it is profitable. Competition often compels it and custom confirms it. Lucky indeed is that bank man who has the field all to him-

INT. BALANCE	6	5	4	3	2	1	INTEREST
305	100	50	60	50		45	4 78
325	125	100	50	50			5 33
30	15	5	5			5	46
460	310	100				50	8 03
175	67	33	75				2 89
37	5	10	7			15	41
750	300	60	40	185	65	100	10 15
16			7	3		6	14
100	50					50	1 16
315	15				300		2 30
222	105	40	17	30	30		3 49
400	300	100					7 67
70	30			40			1 00
10	5	2	3				17
150	100			50			2 50
330	50	80	200				5 00
115	50	20	20	15	10		1 81
45	15	30					80
165	120	20	25				3 07
603	200	92			48	263	6 73
605	350		150		105		9 70
1500	1431	19	50				29 60
100	30		45			25	1 28
110	75			35			1 35
50	25	25					92
575	500		40			35	10 65
1700	1600				100		32 66
95	20	5	10	20	27	13	1 04
2102	2000		50		52		41 01
185		70	55	25	10	25	2 30
125	40	30	30				1 70
60	50			5	5		1 08
1318	1050		126			142	23 16
1000	150	250		600			11 50
26	26						54
50	25			25			75
1056	854	62	30			110	18 88
505	5				500		3 43
50	17	17	10		6		79
77	15	5	20	10	15	12	89
150	115				35		2 53
1507	800		707				25 42
45	15		30				70
160	10			150			1 70
165	120	20	25				3 06
35	10			25			45
100	10		10	10	10	60	70
35	10	5	5	5	5	5	45
5				5			05
21	5		6		5	5	23
18134	11320	1250	1908	1338	1328	965	296 41

Form 2.—Containing the same accounts as in Form 1, distributed monthly.

self; where competition does not come to cut his profits and shorten his rest; who is, and can afford to be, ultra-conservative; who does things because the other man has done likewise before him. Perhaps he lives in a quiet country town, goes to the bank at ten, dinner at twelve and driving at three—why not? He has a good thing and intends to keep it. Here is the life we read about in books, "where the years go smoothly and age sits lightly"; where men "live long and die hard"; a good place to live—ideal for a summer vacation, but not a good place to *work*. If idling be living and loafing be working, then that is the perfect life; but if to live is to grow and growing be living, for the man of ambition, here is a better way.

LIST OF ALL SAVINGS BANKS IN NEW YORK STATE; WITH THE RATE OF LAST DIVIDEND, INTEREST RULES AND THE COST OF MONEY.

Name of Bank.	Location.	Interest Rate.	Method.‡	Cost of Money.**
Albany City Savings Inst.	Albany	3½	Monthly	3.30
Albany County Savings Bank	Albany	3½	Monthly	3.40
Albany Exchange Savings Bank	Albany	3½	Monthly	3.35
Albany Savings Bank	Albany	3½	Monthly	3.37
Home Savings Bank	Albany	3½	Monthly	3.30
Mechanics & Farmers Sav. Bank	Albany	3 and 3½	Quarterly	3.24
National Savings Bank	Albany	3½	Monthly	3.35
Cohoes Savings Inst.	Cohoes	3½	Monthly	3.38
Mechanics Savings Bank	Cohoes	3½	Monthly	3.34
Binghamton Savings Bank	Binghamton	3½	Monthly	3.33
Chenango Valley Sav. Bank	Binghamton	3½	Monthly	3.+
Auburn Savings Bank	Auburn	3½	Quarterly	3.32
Cayuga Co. Savings Bank	Auburn	3½	Monthly	3.32
Elmira Savings Bank	Elmira	3½	Monthly	3.02
Hudson City Sav. Inst.	Hudson	3½	Monthly	3.32
Cortland Savings Bank	Cortland	3½	Monthly	3.33
Fishkill Savings Inst.	Fishkill	4	Quarterly	3.80
Matteawan Savings Bank	Matteawan	3½ and 4	Monthly	3.70
Mechanics Savings Bank	Fishkill	3½ and 4	Monthly	3.62
Pawling Savings Bank	Pawling	4, 3½ and 3	Not Given	. 3.52
Poughkeepsie Savings Bank	Poughkeepsie	4	Quarterly	3.87
Rhinebeck Savings Bank	Rhinebeck	3 and 4	Quarterly	3.46
Wappingers Savings Bank	Wappingers	3 and 4	Quarterly	Not Given
Buffalo Savings Bank	Buffalo	3½ and 4	Quarterly	3.30
Erie Co. Savings Bank	Buffalo	3½ and 4	Quarterly	3.32
Western Savings Bank	Buffalo	3½ and 4	Quarterly	3.25
Catskill Savings Bank	Catskill	3½	Monthly	3.30
Jefferson Co. Sav. Bank	Watertown	3 and 4	Quarterly	3.40
Watertown Savings Bank	Watertown	3 and 4	Quarterly	3.40
Brevoort Savings Bank	Brooklyn	3½	Quarterly	3½ basis 3.06
Brooklyn Savings Bank	Brooklyn	4	Quarterly	3.80
Bushwick Savings Bank	Brooklyn	4	Quarterly	3.60
City Savings Bank	Brooklyn	4	Quarterly	3.50
Dime Sav. Bank of Brooklyn	Brooklyn	4	Quarterly	3.75
Dime Sav. Bank of W'sburg	Brooklyn	4	Monthly	3.76
East Brooklyn Savings Bank	Brooklyn	4	Quarterly	3.64
Eastern Dist. Savings Bank	Brooklyn	4	Quarterly	3.40
East New York Savings Bank	Brooklyn	4	Quarterly	Not Given
Germania Savings Bank	Brooklyn	4	Quarterly	3.74
German Savings Bank	Brooklyn	4	Quarterly	Not Given
Greater N. Y. Sav. Bank	Brooklyn	4	Quarterly	3.37
Greenpoint Savings Bank	Brooklyn	4	Quarterly	3.62
Guardian Savings Bank	Brooklyn	4	Quarterly	New bank 2.74
Hamburgh Savings Bank	Brooklyn	4	Quarterly	New bank 2.64
Home Savings Bank	Brooklyn	4	Quarterly	3.18

Name of Bank.	Location.	Interest Rate.	Method.‡	Cost of Money.**
Kings Co. Sav. Inst.	Brooklyn	4	Quarterly	3.76
South Brooklyn Savings Bank	Brooklyn	4	Quarterly	3.78
Sumner Savings Bank	Brooklyn	4	Quarterly	New bank 2.48
Williamsburgh Savings Bank	Brooklyn	4	Quarterly	3.64
Oneida Savings Bank	Oneida	3½	Monthly	3.31
East Side Savings Bank	Rochester	3½ and 4	Monthly	3.72
Mechanics Savings Bank	Rochester	3½ and 4	Monthly	3.75
Monroe Co. Savings Bank	Rochester	3½ and 4	Monthly	3.46
Rochester Savings Bank	Rochester	3½ and 4	Monthly	3.70
Amsterdam Savings Bank	Amsterdam	3½	Monthly	3.12
Roslyn Savings Bank	Roslyn	4	Quarterly	3.60
American Savings Bank	New York	3½ and 4	Quarterly	3.62
Bank for Savings	New York	4	Quarterly	3.78
Bowery Savings Bank	New York	4	Quarterly	3.76
Broadway Savings Inst.	New York	4	Quarterly	3.80
Bronx Savings Bank (new)	New York	4	Quarterly	2.46
Citizens Savings Bank	New York	4	Quarterly	3.75
Dollar Savings Bank	New York	4	Quarterly	3.45
Dry Dock Savings Bank	New York	4	Quarterly	3.64
East River Savings Bank	New York	4	Quarterly	3.82
Emigrant Industrial Sav. Bk.	New York	4	Quarterly	3.78
Empire City Savings Bank	New York	3, 3½ and 4	Quarterly	3.40
Excelsior Savings Bank	New York	4	Quarterly	3.49
Franklin Savings Bank	New York	3½ and 4	Quarterly	3.72
German Savings Bank	New York	4	Quarterly	3.70
Greenwich Savings Bank	New York	4	Quarterly	3.75
Harlem Savings Bank	New York	4	Quarterly	3.60
Irving Savings Inst.	New York	4	Quarterly	3.80
Italian Savings Bank	New York	4	Quarterly	3.00
Maiden Lane Savings Bank	New York	4	Quarterly	3.68
Manhattan Savings Inst.	New York	3½ and 4	Quarterly	3½ basis 3.26
Metropolitan Savings Bank	New York	4	Quarterly	3.80
New York Savings Bank	New York	4	Quarterly	3.78
North River Savings Bank	New York	4	Quarterly	3.70
North Side Savings Bank	New York	4	Quarterly	3.24
Seamens Savings Bank	New York	4	Quarterly	3.83
Union Dime Savings Inst.	New York	3½ and 4	Quarterly	3.67
Union Square Savings Bank	New York	3½ and 4	Quarterly	3.54
United States Savings	New York	3½ and 4	Quarterly	3.77
Washington Savings Bank	New York	4	Quarterly	3.26
West Side Savings Bank	New York	4	Quarterly	3½ basis 3.10
Farmers and Mechanics	Lockport	3, 3½ and 4	Monthly	3.85
Niagara Co. Savings Bank	Niagara Falls	3½ and 4	Monthly	3.14
Oneida Co. Savings Bank	Rome	3½	Monthly	3.34
Rome Savings Bank	Rome	3½	Monthly	3.40
Utica Savings Bank	Utica	3½	Quarterly	3.30
Onondaga Co. Savings Bank	Syracuse	3½	Quarterly	3.33
Skaneateles Savings Bank	Skaneateles	3½	Monthly	3.26
Syracuse Savings Bank	Syracuse	3½	Monthly	3.34
Cornwall Savings Bank	Cornwall	3 and 4	Quarterly	3.68
Goshen Savings Bank	Goshen	3 and 4	Quarterly	3.56
Middletown Savings Bank	Middletown	3½ and 4	Quarterly	3.68
Newburgh Savings Bank	Newburgh	4 and 3	Quarterly	3.78
Walden Savings Bank	Walden	4 and 3	Quarterly	3.72
Warwick Savings Bank	Warwick	4 and 3	Quarterly	3.68
Fulton Savings Bank	Fulton	3½ and 4	Monthly	3.85
Oswego City Savings Bank	Oswego	3½	Monthly	3.35
Oswego Co. Savings Bank	Oswego	3½	Monthly	3.38
Putnam Co. Savings Bank	Carmel	3½	Monthly	3.10
College Point Savings Bank	College Point	4	Monthly	3.60
Jamaica Savings Bank	Jamaica	4	Quarterly	3.60
Long Island City Sav. Inst.	Long Island City	4	Quarterly	3.50
Queens Co. Savings Bank	Flushing	4	Quarterly	3.50

Name of Bank.	Location.	Interest Rate.	Method.‡	Cost of Money.**
Troy Savings Bank	Troy	3½	Quarterly	3.33
Richmond Co. Savings Bank	W. New Brighton	3½ and 4	Quarterly	2.94
Staten Island Savings Bank	Stapleton	4	Quarterly	3.71
Schenectady Savings Bank	Schenectady	3½	Monthly	3.20
Seneca Falls Savings Bank	Seneca Falls	3½	Monthly	3.09
Riverhead Savings Bank	Riverhead	4	Quarterly	3.80
Sag Harbor Savings Bank	Sag Harbor	4	Quarterly	3.78
Southold Savings Bank	Southold	4	Quarterly	3.90
Union Savings Bank	Patchogue	4	Quarterly	3.60
Ithaca Savings Bank	Ithaca	3	Actual Date	2.80
Ellenville Savings Bank	Ellenville	3 and 3½	Monthly	3.19
Kingston Savings Bank	Kingston	3½	Monthly	3.30
Rondout Savings Bank	Kingston	3½	Monthly	3.30
Ulster County Savings Inst.	Kingston	3½	Monthly	3.32
New Paltz Savings Bank	New Paltz	3 and 4	Monthly	3.32
Saugerties Savings Bank	Saugerties	3½	Monthly	3.28
Eastchester Savings Bank	Mount Vernon	4	Quarterly	3.52
Greenburgh Savings Bank	Dobbs Ferry	4	Quarterly	3.12
Home Savings Bank	White Plains	4	Quarterly	3.54
Peekskill Savings Bank	Peekskill	4	Quarterly	3.78
Peoples Savings Bank	New Rochelle	4	Quarterly	3.27
Peoples Savings Bank	Yonkers	3 and 4	Quarterly	3.60
Port Chester Savings Bank	Port Chester	4	Quarterly	3.67
Sing Sing Savings Bank	Ossining	4	Monthly	3.75
Union Savings Bank	Mamaroneck	4	Quarterly	3.42
Westchester Co. Savings Bank	Tarrytown	4	Quarterly	3.74
Yonkers Savings Bank	Yonkers	4	Quarterly	3.73

‡ By method is meant, the period of beginning. Monthly indicates that money deposited before the third of the month (generally) draws from the first of that month if left until the close of the interest period. Quarterly means from the quarter day following the deposit, if made after the tenth of January or July; or, the third of April or October.

** Cost of money has been noted in the body of the article. These figures in the majority of instances were furnished by the banks themselves. Where it was impossible to get this data, the figures have been compiled from the January, 1907, Report of the Banking Department and are as nearly correct as is possible to get from outside sources.

Interest rates are taken from the January, 1908, Report of the Bank Department.

POSTAL SAVINGS BANKS.

FROM an address by ex-Governor Herrick of Ohio, delivered before a conference of the National Civic Federation, and published in the "National Civic Federation Review," the following is taken:

"The Postmaster-General desires to establish postal savings banks to encourage habits of economy and thrift and to afford a safe place for deposit of sums of money which might otherwise be hoarded and kept out of circulation through ignorance or lack of confidence.

"But are the people suspicious of banks as now constituted, and are they without confidence in the integrity of those who control the banking power of this country? Its banking power is estimated at $16,000,000,000, that of the rest of the world $20,000,000,000. This banking power is made up of the capital, surplus, undivided profits, deposits and circulation of national and state banks of every character. The predominating item in the list is deposits. Is it possible to infer from such a showing that there exists a serious lack of faith in existing financial institutions?

"Conclusions drawn from savings bank deposits alone are equally impressive. Such deposits in the United

States are reported in 1906 as $3,480,000,000, and those of the rest of the world $8,245,000,000. In other words, with a population of about one-twentieth of the world, our savings banks hold considerably more than one-third of the world's savings, belonging to the thrifty and economical.

"Does this indicate a lack of confidence? The average savings deposit in this country is $433, more than one-half larger than any other country. Savings deposits per capita in the United States are $41, and are exceeded by those of six nations only.

"Canada and Great Britain, whose postal savings banks are frequently cited to show the advantages of such institutions, have per capita savings deposits of but $11 and $23, respectively. It is true that a large proportion of the savings deposits of this country is held by the banks of the older and more densely populated Eastern States. This is but a natural condition since the people of the West have use for their funds in the purchase of farms, improvements of all sorts, and in the building of homes. When the time comes that they also have surplus wealth, savings institutions will be established to care for it and the money will continue in its natural channels.

"Is there anything in the recent history of banking in this country to warrant the assumption that the existing institutions are not the proper depositories of the people's savings?

"The record of mutual savings banks in this country—probably the ideal form of savings banks—for stability and for unselfish devotion to the interests of the depositor, is probably unparalleled in any country of the world. The record of the other class of financial institutions that receive savings deposits, the trust company, while not quite so plain, is still admirable. It is a comparatively new type which has not yet quite found its proper sphere, but serves a real need. It is only a question of a short time before it will rank equally with the older types of financial institutions in conservatism and stability.

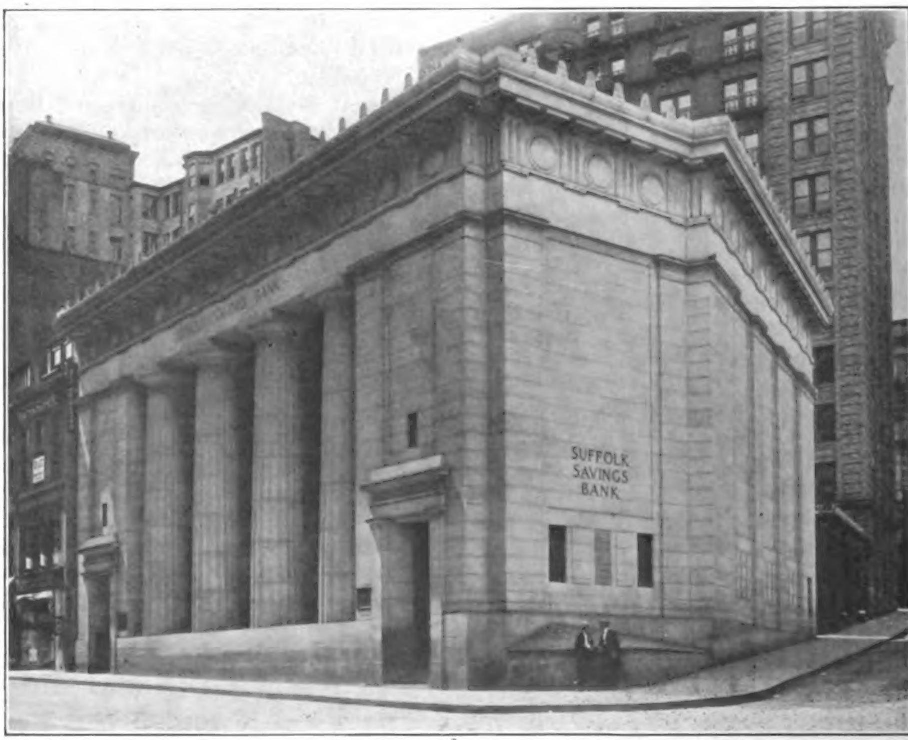
"Postal savings banks have not been an unqualified success in other countries. A recent issue of the London 'Statist' severely criticises Government savings banks, intimating, among other things, that the deposits have not been so invested as to give the depositors a decent return for their self-denial and thrift. Where postal savings banks have been used to bolster up the credit of the state, the gain of the state has proven the loss of the depositors, and has caused a continuous rise in Government stocks and a corresponding decrease in interest. With all these facts before us, the enormous aggregate of savings in this country, the adequacy and conservatism of savings banks as now organized, the uncertain success of the Government whenever it has undertaken banking functions, to my mind but one conclusion can be reached, that absolutely no need exists for postal savings banks here and that the system would be productive of much more harm than good."

MASSACHUSETTS SAVINGS BANK BUILDINGS.

MASSACHUSETTS is widely known as the home of the mutual savings bank. Not only are her institutions firmly grounded and wisely and conservatively governed, but the buildings in which they are housed are, many of them, models of convenience and architectural fitness for the purpose for which they were designed.

Two conspicuous examples of modern savings bank buildings as they exist in Massachusetts are illustrated herewith. The first is that of the Suffolk Savings Bank for Seamen and Others

at the corner of Tremont street and Pemberton square, Boston. The building is constructed of Hallowell granite, of classic design, by Cass Gilbert, architect. The interior is lined with marble and has a vaulted tile ceiling. This bank holds the deposits of over 75,000 persons, aggregating about $35,000,000.



New Building for the Suffolk Savings Bank of Boston.

The other building is that of the Springfield Institution for Savings, in Springfield, a bank that dates back in its organization to 1827. Hoggson Bros. of New York were the contracting designers and the building is constructed of limestone and faced on the interior with marble. The Springfield Institution has deposits of about $17,000,000, belonging to 45,000 depositors.

The plate of the exterior of the Suffolk Savings Bank is kindly loaned by the Architects and Builders Magazine.

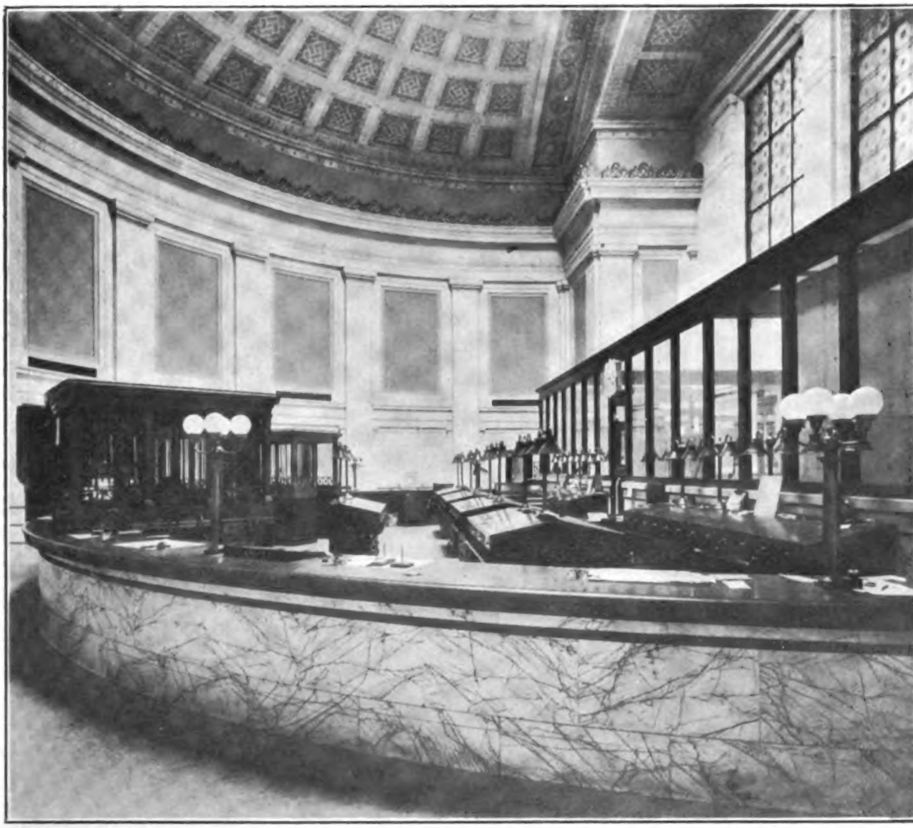
"CAPITAL" OF NEW YORK SAVINGS BANKS.

FROM Albany comes this dispatch to the "New York Times" under date of March 11.

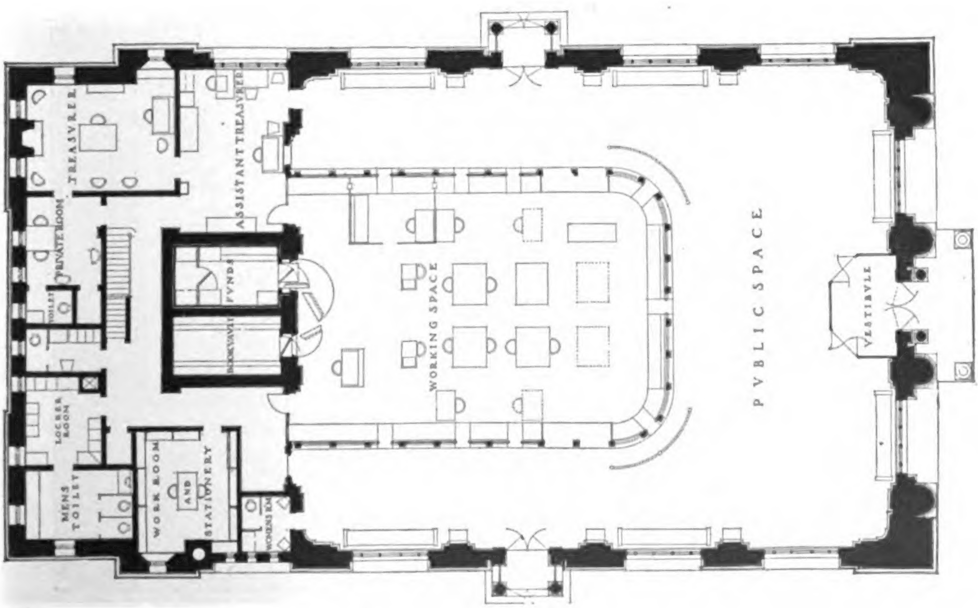
Senator Thompson, one of Senator McCarren's lieutenants in the upper House, introduced today a resolution providing for a legislative investigation of the savings banks of New York City by five Senators and three Assemblymen.

The amount of interest paid, investment of their capital and surplus and their relations with other corporations will be inquired into.

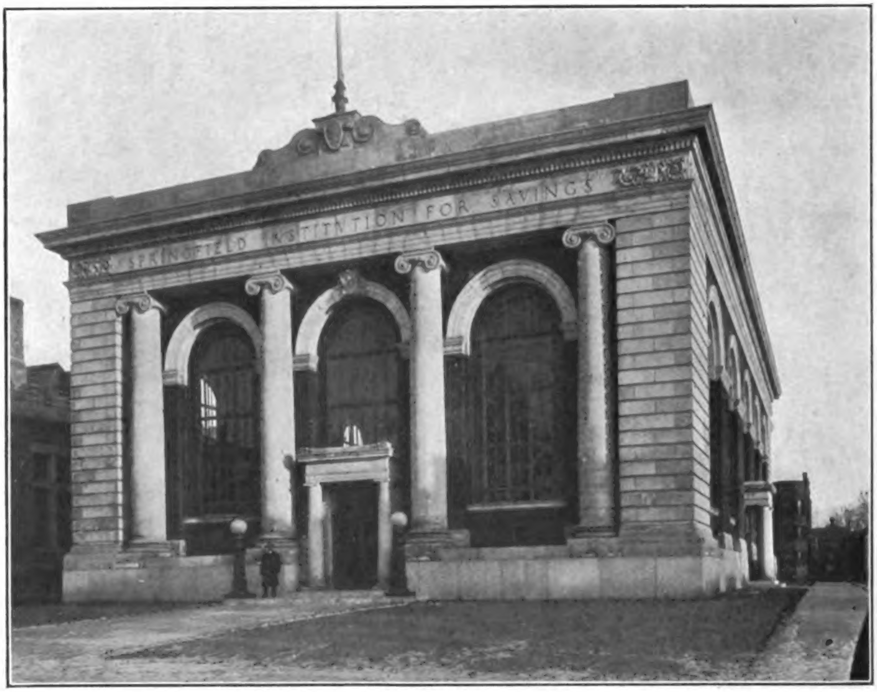
Since the New York savings banks have no capital, information as to how it is invested will be at least as interesting as the famous essay on "Snakes in Ireland."

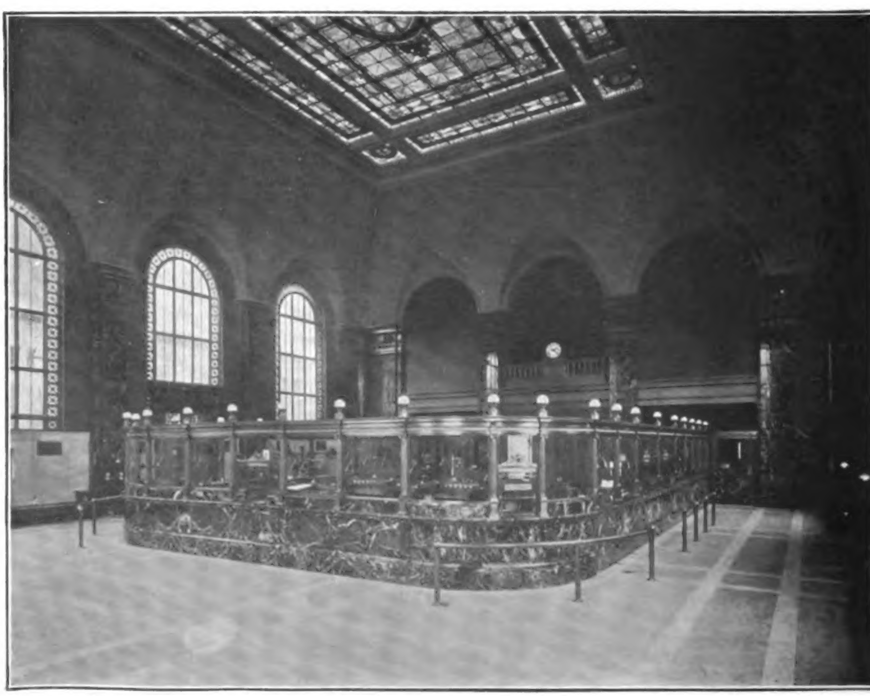


Interior of the Suffolk Savings Bank.



Floor Plan of the Springfield Institution for Savings Building.





New Building of the Springfield (Mass.) Institution for Savings.

THE NEW YORK CLEARING-HOUSE AND ITS FUNCTIONS.

By Alfred M. Barrett, Assistant Secretary Guardian Trust Company, New York.

CLEARING-HOUSES for banks are the channels through which the banking interests of the world facilitate the work of collecting the millions of dollars in checks and drafts which form the greater part of our financial life.

To the progressive bankers of London credit must be given for the evolving and adoption of the plan for the clearing-house that is now in use in all the important cities of the world.

Bankers in London, as far back as 1773, met for the exchange of checks, but it was not until the year 1840 that they organized and established the clearing-house.

Banking interests of the United States, up to the year 1853, were without clearing-house facilities; up to that time the banks in the large cities cleared the checks drawn on the various banks of their city by the same method as the banks of to-day collect from the trust companies. Each bank would, at the opening of business, list the checks drawn on the various banks and despatch a messenger to each institution, where they would be paid in cash. This method involved not only great risk, but also a large messenger force and considerable expense. (The trust companies of to-day, however, usually give in exchange for their items checks on their depository, which is a clearing-house bank.)

Management of the New York Clearing-House.

The administration of the New York Clearing-House is vested in a clearing-house committee, composed of the president of the association and five members, usually presidents of banks. They are chosen annually, and are men who are at the head of their profession; conservative, though progressive, energetic and thoroughly conversant with the detail work of banking, a necessary qualification for the examination which is sometimes their province to make.

One of the most important committees is the clearing-house loan committee, which in panicky times takes up the making of loans to its members, and the issuing of clearing-house certificates.

At no time since the establishing of the clearing-house did this committee do more yeoman service than on October 26, 1907, when by the issuing of clearing-house certificates it sustained many financial institutions, which, while they had collateral in plenty, could not command the actual cash, and without clearing-house certificates with which to pay their balances in the clearing-house, would in all probability have been forced to suspend.

This committee meets every morning at the clearing-house in times of financial disorder when it is necessary to issue certificates, and examines collateral offered as security; usually if a bank wishes a loan of, say, $750,000, the bank will turn over to the committee one million in bills receivable, stocks and other bonds, or a mixture of the three. With this collateral a note is deposited, giving the committee power to dispose of the collateral to satisfy the loan should default be made in payment. These loan certificates take the place of actual money in payment of balances through the clearing-house, and by so doing save the actual cash, leaving the bank with funds to make loans and discounts. The volume of money, therefore, is expanded by the use of these certificates. Those banks taking out certificates pay six per cent. interest to those that receive them in balances.

The loan certificates were first issued in 1860 and again in 1861 and 1863. In 1884 the New York Clearing-House again issued loan certificates, also in November, 1890, and the last time they were issued was on October 26, 1907.

applicant for admission must in addition show that it possesses a reputable board of directors, a conservative executive management, and evidence that the institution is prosperous and likely to continue so. These are very necessary

New York Clearing-House Building, Cedar Street.

qualifications, since admission to the association is of itself an endorsement of the highest character and insures to the bank becoming a member the confidence of the money-depositing community.

Qualifications for Admission.

In order to be admitted to the New York Clearing-House Association, the applicant must show to the clearing-house committee that it has a capital or combined capital and surplus of at least $500,000. An admission fee is charged of $5,000 if the capital is not above $5,000,000, and $7,500 if it is. The

Clearing for Non-Members.

The banks in the clearing-house association are sometimes known as the

clearing agents of national and state banks and also trust companies that wish to enjoy the privileges, but are unable to become members. A non-member that wishes to collect through a member of the association is required to pay $1,000 a year and to keep a satisfactory cash reserve in its vaults to meet the demands of its depositors.

The clearing-house expenses are shared by the members, each bank paying a stated sum per annum.

An average estimate of the number of checks passed daily through the clearing-house is placed at about 500,000, and when you consider the wonderful business growth of our country, and the spreading over a larger territory of the banks which at one time were located near a common center, it will be readily appreciated that the saving of time, labor and risk effected by the establishment of clearing-houses is well-nigh incalculable.

Getting Ready for the Clearing.

In order to bring more forcibly to the reader's attention the great amount of work that goes to make the machinery of the New York Clearing-House run smoothly, allow me to introduce you to the receiving teller's desk of one of the largest banks in the country. At this desk the half-dozen tellers are busily engaged all day receiving the deposits of men in all walks of life, from small merchants to bankers, and from banks and trust companies. These deposits range from petty sums up to millions. To handle and work up the many millions of dollars deposited each day requires not only a large force of men, but necessitates a division of the work, so that a proof can be made within a reasonable time. In this particular bank the receiving teller has sub-divided his department into three parts—the main department, of which he takes immediate charge; the special department, in charge of an assistant, and the annex, in charge of another assistant. As fast as the teller receives the deposits, they are turned over to the special department, up to two o'clock. This special department has a force of ten to twelve experienced men. Four checkers are the first to receive the deposits. Each man takes a deposit, checks it, putting on the deposit slip the clearing-house number of the bank on which the check is drawn, the letter "C" if it is a cash item, or "S. D." if it is a sight draft. This is done so that in case of any question coming up relating to the deposit or the check, the item or items could easily be located. These letters are also put on the slip, so that in case the teller has a difference they would aid materially in locating the items. After the checking-off process has been attended to, the items are given to two men to put the "Paid" stamp on them. When the stampers turn the checks over to the sorters, it is the duty of this force to sort the checks into the boxes marked with the names of the banks on which the checks are drawn. This work finished, the machine men come into play. Each man has a number of boxes (representing so many banks) assigned to him, and his duty is to list the checks drawn on each bank, represented by the contents of a numbered box. For instance, he has checks drawn on No. 8 (National City Bank), he lists them, puts them aside and continues this operation with the numerous checks until the time arrives for the closing of this department, which, as I have stated before, is two o'clock, when they make their proof.

Then the annex is called into action, when what is probably the busiest part of the receiving teller's day begins, for it is at this time that the brokers and trust companies hand in their deposits. There are times when it is a very ordinary occurrence for deposit tickets yards in length to be received, and upon the annex devolves the duty of getting them out of the way. A large force takes hold of this work, and at half-past four they are ready to strike a proof.

While the annex is working its way out, the main division is busily engaged in taking care of the deposits that go to

the credit of what is known as the individual depositors.

Each sub-division makes its own credits, and, after the checks are all taken care of, they make a separate proof. If all three divisions prove, the receiving teller and his active men are disengaged until 8.30 the following day. But it is different if they don't prove. At times the error is readily discovered, but occasionally much energy and time has to be expended to find the mistake. Fortunately this does not happen often.

We now have the receiving teller proved, and charging the total of his exchanges over to the night force. This force is composed of fourteen men, who arrive at the bank at midnight. Along with this force comes the mail, with its out-of-town checks and drafts that go to make up the credits of the hundreds of banks and trust companies that do business with this institution.

ALFRED M. BARRETT
Assistant Secretary Guardian Trust Company of New York.

The night force, using the letters as credits, handle the checks in about the same manner as described in the receiving teller's work. A second mail is received at three A. M. and again another one at seven o'clock. If, by chance, the night force has not proved when eight

o'clock arrives, they go, the difference being turned over to the main department. This department now takes hold of the machinery of the bank. I have already alluded to the busy time of those in the receiving teller's department, and have mentioned the work of the night force, but for general activity the mail department is in a class by itself. Here is where the reserves of the bank are called into action. One hundred and twenty-five men are at the disposal of a clear-headed individual, upon whom rests the responsibility of getting in shape to be cleared the many millions of dollars in checks that must be ready at 9.45. At this time the captain is given control, and he gives his orders in a manner that brooks no interference and permits of no question. He places every man at his station. Each one knows what his particular duties are, and when 9.30 arrives and the captain orders "all in," the general proof begins. The total of the slips are listed on the envelopes printed with the name of the bank upon which the checks are drawn, and the totals of the envelopes are called off, being listed by two men; one taking down the amount in the long book and the other on the clearing-house sheet. If the totals of the long book and the sheet prove, the settling clerk makes haste to arrive at the clearing-house. The clearing clerk, with his assistants, now loses no time in getting the boxes, containing probably forty-five to fifty thousand checks, and representing millions in money, to the clearing-house.

The Clearing Operations.

We have now arrived at the New York Clearing-House. Remember, if you please, the work of getting up the clearings of this one institution, the great working force that was necessary to handle the work, and consider that there are fifty-three other institutions, all working with the same object in view—the getting to the clearing-house with the checks that have been sent to them for credit. Picture the men from all parts of the city, some in cabs, others on the cars, many on foot, but all in a rush to arrive on time.

The settling clerk, upon his arrival at the clearing-house, immediately sends to the manager a ticket containing the amount of the items brought from his bank. The clerk then repairs to his desk, and awaits the signal from the manager, which is given exactly at one minute of ten o'clock. The management then makes what announcements are necessary, and the signal is again given, which means that the delivery clerks should proceed to make the exchanges. The fifty-four clerks move to the left of the desks adjoining their own, respectively, deliver the packages of checks, drafts, etc., drawn on these banks and deposited in their own, and after receiving a receipt for the packages from the settling clerk, move forward to the next desks, continuing around the room until they have returned to their own desk. Each delivery clerk has then delivered fifty-three packages of checks, each settling clerk also having received fifty-three packages—nearly three thousand packages having thus been delivered in eight minutes, the usual time, according to Assistant Manager Gilpin's report.

The balances are the differences between the amounts of the checks brought to the clearing-house and the amounts received. The entire session averages about forty minutes. If there is any correction to be made after 10.45 it entails a fine of from one to three dollars. After 11.30 the fines are doubled, and if 12 o'clock arrives and the error has not been found, the clerk who has caused the delay is liable for a quadruple fine. The clearing-house proves every day, and it is a matter of record that one of the longest sessions was caused by a difference of ten cents. Incidentally it is pleasing to note that some of the leading men in the financial world were at the early stages of their banking careers men who hustled to prove their sheet in the New York Clearing-House.

Back to the bank rush the clearing clerks laden with bags filled with en-

velopes containing the checks which the bank has received from the other members of the association, probably thirty-five to forty-five thousands of checks. These must be checked off by the clerks, turned over to the signature clerks to be examined for signatures, indorsements, "stop payment" and "filling." They are then turned over to the bookkeepers, who, if they find that a check is not good, have up to three o'clock to return it.

In the meantime the settling clerk has returned to the bank and informed the paying teller as to whether the bank is debit or credit. If debit, the paying teller has until 1.30 to pay in. If credit, he has from 1.30 until 3 o'clock to receive his balance.

The largest credit balance ever received by any bank from any clearing-house in the world was the one that the National Bank of Commerce in New York received on September 23, 1905, of $27,355,290.85.

The total transactions in exchanges since the organization of the New York Clearing-House in 1853 up to the first of this year was $1,856,617,161,-435.06.

From eleven o'clock in the morning the debit banks have until 1.30 in the afternoon to pay into the clearing-house their debit balance. The money for the debit is usually put up in sealed packages in the paying teller's department of the debit bank. The kinds of money payable into the clearing-house are legal tenders, United States notes, gold coin, United States gold certificates and gold certificates of clearing-house (gold coin held by the clearing-house association). It is very remarkable that ninety per cent. of the balances paid into the New York Clearing-House are in clearing-house gold certificates in denominations of five and ten thousand dollars each. There are times, however, when the paying teller sends in payment gold notes or United States notes; then it is necessary that they be put into sealed envelopes of denominations of $1,000, $2,000, $3,000, $4,000, $5,000, $10,-000, $50,000 and $100,000 each.

When 1.30 arrives the banks that have a credit balance form in line at the paying teller's window at the clearing-house.

On the men who have the authority to receive the balances rests a great responsibility. They are the picked and trusted men of their respective institutions. Into the keeping of each representative is entrusted at times millions of his bank's cash, and it is a source of gratification that so well has the confidence in the men selected been justified, that during all the years that the clearing-house has been in existence not a dollar has been lost.

COMBINING BANKING AND PROMOTING.

PRONOUNCING sentence on John R. Walsh for violating the banking laws, while president of the Chicago National Bank, Judge Anderson of the United States District Court said:

I had occasion to say in ruling upon a motion made by defendant's counsel that no man can serve two masters. To my mind that is the key of this whole situation. The defendant was a banker, and president of a national bank. The proof showed that he loaned to himself substantially seven-tenths or three-fourths of the entire assets of this national bank—seventeen or eighteen million dollars—which was invested not in properties which had been developed, but in railroads and other properties which he hoped to develop.

The banker was lost in the promoter, the speculator, the railroad man. The evidence clearly establishes this. He owed a duty to the bank, his master. He attempted to serve those other interests, the other masters. To my mind there has been in recent times no clearer demonstration of the statement that a man who is a banker ought to be nothing but a banker, and that until at least those bankers who own and manage national banks understand that when they serve their bank they cannot serve other interests—until that idea prevails cases like this will probably continue to arise.

"THE WORST BANKING SYSTEM IN THE WORLD."

UNDER this somewhat sensational heading, "The Outlook" published, in its issue of February 29, the recent address of Mr. Andrew Carnegie before the Economic Club of New York city. It is greatly to be regretted that our banking system should be thus stigmatized in a publication of such a high character as "The Outlook" and by a man so well known as Mr. Carnegie. The impression likely to be conveyed was, evidently, not the one intended, although in his opening paragraph Mr. Carnegie said:

"Americans have many advantages upon which we may plume ourselves as being in advance of other nations, but we have at least one humiliation to lessen self-glorification. Our banking system is the worst in the civilized world."

The context of the address shows that Mr. Carnegie was not really criticising our banking system, but the method of issuing bank notes—quite another matter. Actually the function of issuing notes is but a small part of the banking business. Banks are not, as a rule, chiefly engaged in issuing notes. Their business consists, in the main, in extending credits, to be drawn against by checks.

Any one looking at the title-page of the issue of "The Outlook" on the date mentioned, or reading the opening paragraph of Mr. Carnegie's address, however, might very reasonably infer that our banking system was indeed "the worst in the world," as stated. Such an inference would be far from the truth.

There is but one accurate test of the efficiency of any banking system—its service to the business community. Measured by that standard, the banking system of the United States, despite its admitted imperfections, will not suffer in comparison with any other in the world. Here are some figures showing the growth of the national, state, savings, private banks, loan and trust companies of the United States from 1864 to 1907:

	1864.	1907.
Number of bks.	1,861	19,746
Capital	$386,800,000	$1,690,800,000
Sur. & profits..	4,200,000	1,645,000,000
Deposits	383,100,000	15,355,700,000
Total resources.	252,300,000	19,645,000,000

In 1890 Mulhall estimated the world's banking power at $15,985,000,000, the United States being credited with $5,150,000,000 of this amount. Since that year the banking power of the United States has increased to the extent of $12,674,800,000, or over 246.1 per cent.; that of foreign countries $16,199,200,000, or 149.5 per cent. Deposits in our savings banks average $42.87 per inhabitant compared with $18.60 per inhabitant for the savings banks of Europe. Even in Great Britain, the number of banks (including branch offices) is less in proportion to population than in the United States.

The remarkable growth of our banks has been due to efficient service to the business community. They are owned and managed by men thoroughly familiar with local conditions and needs and intensely interested in promoting the welfare of their respective localities.

Mr. Carnegie is right in saying that the issue of bank notes should be based upon coin and commercial paper. But in advocating a better method of issuing bank notes it is wholly unnecessary to declare that "Our banking system is the worst in the world," and it seems most unfortunate that it should have been so characterized by Mr. Carnegie and the statement published, somewhat sensationally, as was done by "The Outlook." Such a characterization of our banking system is intemperate, unwise and unjust.

BANKING AND COMMERCIAL LAW

Conducted by John J. Crawford, Esq.,
Author Uniform Negotiable Instruments Act.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States courts and State courts of last resort will be found in the Magazine's Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

PURCHASE OF PAPER TAKEN FOR USURIOUS LOAN—WHEN BANK NOT AFFECTED BY USURY.

LEO SCHLESINGER, AS RECEIVER OF THE FEDERAL BANK OF NEW YORK vs. LUDWIG LEHMAIER.

COURT OF APPEALS OF NEW YORK, JANUARY 28, 1908.

The defense of usury is not available against a bank where the paper used on was purchased before maturity without notice of the usury, but otherwise if the bank had knowledge that the paper was usurious.

The provisions of the New York Banking Law in respect to usury should be construed in connection with Section 96 of the Negotiable Instruments Law, which provides that "A holder in due course holds the instrument free from any defect of title of prior parties and free from any defenses available to prior parties among themselves, and may enforce payment of the instrument for the full amount thereof against all parties liable thereon."

HAIGHT, *J.:* This action was brought by the receiver of the Federal Bank, a domestic corporation engaged in the banking business in the city of New York, to recover the amount of two promissory notes made by the defendant for $500 and $454.50, respectively, each made payable to the order of the maker and indorsed by him. The complaint alleges that before maturity the notes were discounted by the Federal Bank and that the plaintiff as receiver now holds them. The answer, in substance, alleges that the notes described in the complaint were made by the defendant and delivered to the Globe Security Company in payment for another note of the defendant held by that company and for the sum of $135.50 interest, which sum was far in excess of interest at the legal rate and was, therefore, usurious, and that the Federal Bank subsequently discounted the notes and received them, with full knowledge of the payment of such usurious rate of interest. Upon the trial the City Court awarded judgment for the plaintiff, holding that the facts alleged and set forth in the answer did not in law constitute a defence to the action.

We are again called upon to construe the provisions of the National Banking Act, so called, and our own Banking Law, based thereon, which is as follows: "Every bank and private and individual banker doing business in this state may take, receive, reserve and charge on every loan and discount made, or upon any note, bill of exchange or other evidence of debt, interest at the rate of six per centum per annum, and such interest may be taken in advance, reckoning the days for

which the note, bill or evidence of debt has to run. The knowingly taking, receiving, reserving or charging a greater rate of interest shall be held and adjudged a forfeiture of the entire interest which the note, bill or evidence of debt carries with it or which has been agreed to be paid thereon. If a greater rate of interest has been paid, the person paying the same or his legal representatives may recover back twice the amount of the interest thus paid from the bank and private or individual banker taking or receiving the same, if such action is brought within two years from the time the excess of interest is taken. * * * The true intent and meaning of this section is to place and continue banks and private and individual bankers on an equality in the particulars herein referred to with the national banks organized under the act of Congress entitled 'An act to provide a national currency secured by pledges of United States bonds, and to provide for the circulation and redemption thereof,' approved June the third, eighteen hundred and sixty-four." (L. 1870, chap. 163; L. 1892, chap. 689, sec. 55, as amended by L. 1900, chap. 310, sec. 1.)

The general statutes of our state forbid the taking of interest upon the loan of money in excess of the rate prescribed by law, and also render void all bonds, notes and other contracts given to secure a loan made in violation thereof (2 R. S., 772, secs. 2, 5; L. 1837, chap. 430, sec. 1). These statutes still remain in full force as to individuals and corporations, except in so far as they have been modified or superseded by the Banking Law enacted for the benefit of banking corporations and private and individual bankers, but the precise extent of such modification is a question involving some difficulty in its solution and has already been the subject of discussion in this court. In the case of Schlesinger vs. Gilhooly (189 N. Y., 1) the construction of the National Banking Act and of our State Banking Law was discussed in two opinions, one written by Cullen, Ch.J., and the other by Vann, J., in which the chief judge reached the conclusion that the statutes referred to only applied to cases where the banks had been paid an unlawful rate of interest and that they had no application to negotiable paper purchased by the banks which had previously been tainted with usury; while Vann, J., reached the conclusion that these statutes extended to and covered negotiable paper purchased by the bank before maturity in good faith without knowledge of its previous taint. Two of my associates concurred with the chief judge and two concurred with Judge Vann. Willard Bartlett, J., concurred with Judge Vann in the result, upon the ground that, under the Negotiable Instruments Law, a bona fide purchaser takes a note free from the defense of usury. The judgment was, therefore, affirmed, thus holding that, where a bank has in good faith discounted negotiable paper for value before maturity without notice that it was already void for usury, the defense of usury is not available, and that must now be regarded as the law of this state.

The question we now have presented was not disposed of in the former case, and is quite different. It is now contended that the bank may purchase void paper of the holder, with full knowledge that the maker has been compelled to pay a usurious rate of interest, and that by such purchase the paper becomes validated, and in the hands of the bank may be collected of the maker. If such an interpretation is adopted, then it practically nullifies our usury laws, for any person who has exacted usury for the loan of money may take his paper into a bank and arrange for its prosecution, and thus evade the defense of usury. The decision of our court in the case of Schlesinger vs. Gilhooly (supra) has already eliminated from our usury statutes their most drastic features, so far as banks are concerned, and no longer can a person put in circulation negotiable paper void for usury, which may be transferred to innocent banks who purchase in good

faith without knowledge of its taint and thus be deprived of the right to collect it from the maker.

Until a recent amendment of section 378 of the Penal Code the acceptance of an unlawful rate of interest for the use or loan of money was a misdemeanor and punishable criminally. The taking of usury is still a wrong and against the public policy of the state. If the statutes are to receive the construction contended for, then the officers of a bank may become parties to a wrong and, against the policy of the state, aid the wrongdoers in their receipt of usury by the taking of such paper and practically collecting it for them. Assuming, for the purposes of the argument, that national and state banks are governmental agencies, and that among the powers given to banks, either state or Federal, is that of purchasing negotiable paper, and that in the discharge of such powers they are entitled to protection, evidently such protection was only intended to apply in so far as the officers of such banks acted in good faith in accordance with the law, and not where they departed therefrom and knowingly and intentionally joined with wrongdoers in an attempt to evade the laws.

The learned Appellate Division appears to have entertained the view that the purchase of commercial paper with knowledge that it was void for usury did not place the bank in a worse position than it would have been in had it taken usurious interest itself. The answer to this is that the statute makes it different. The usury laws, as between individuals, have not been changed, and as between the maker and the holder, if usury is exacted, the paper is still void and no recovery can be had thereon. Not so, however, with banks which have received unlawful interest; the paper is not affected or rendered void, but the bank is subjected to a forfeiture of all interest and to penalties for that which it has received.

In Caponigri vs. Altieri (165 N. Y., 255) we held that the penalties could be collected in an action brought for that purpose, but how could such an action be maintained against the Federal Bank upon the paper in question? It has received no unlawful rate of interest. It has not violated any statute in this regard. The unlawful interest was collected by the Globe Company before the bank had become the purchaser of the paper. That company was not a banking corporation, and consequently is not liable for the penalties provided by the Banking Law. True, it forfeits its right to collect the balance remaining due upon the paper, and it may be liable for the interest received in excess of the legal rate; but under the view of the Appellate Division the maker would be deprived of his defense of usury, and also of his right to maintain an action for the penalties provided by the Banking Law. To my mind the Legislature never intended such an interpretation of the act. It pertains to negotiable instruments, and should be construed in connection with the other legislation upon the same subject. In the Negotiable Instruments Law it is expressly provided that a holder who becomes such before maturity in good faith and for value without notice of any infirmity, holds the same "free from any defect of title of prior parties and free from defenses available to prior parties among themselves, and may enforce the payment of the instrument for the full amount thereof against all parties liable thereon." Here we have the legislative intent expressed in clear and unmistakable language. It establishes a just and proper rule which protects the bank in making purchases of commercial paper in good faith before maturity, for value and without notice of infirmity. But where it purchases with actual knowledge of the infirmity or defect, or knowledge of such facts that its action in taking the instrument amounted to bad faith, it is not protected.

I am, therefore, of the opinion that the matter set forth in the answer is sufficient in law to constitute a defense, and that consequently the judgment of the Appellate Division should be re-

versed and the order of the Appellate Term affirmed, with costs to appellant in the Appellate Division and this court.

CULLEN, *Ch. J.:* I concur in the opinion of my brother Haight for reversal, but deem it proper to add a word explanatory of my position. In the case of Schlesinger vs. Gilhooly (189 N. Y., 1) I dissented from the decision in an opinion. While I retain the views then expressed, I recognize fully the effect of the decision there made and accept it as a binding authority declaring the law to be that a bank acquiring, in good faith for value, commercial paper void between the parties for usury may recover thereon. In that case, however, the recovery was sought to be upheld on two separate grounds, the banking laws, state and national, and the Negotiable Instruments Law. Had a majority of the court placed their decision on either ground I should have felt the decision binding not only as to the point actually decided, but as to the propositions on which the decision was founded. I understand, however, that while my opinion in its entirety commanded the assent of two only of my associates, the member of the majority who based his decision on the effect of the Negotiable Instruments Law expressed his approval in that part of my opinion which dealt with the effect of the banking laws, though it may be that approval was, as to him, obiter, his action proceeding on a different question. Therefore, for the reasons stated in my former opinion as well as for those stated in the opinion of my brother Haight, now rendered, I concur in the reversal of the judgment appealed from.

WILLARD BARTLETT, *J.:* I concur in the opinion of Haight, J., for reversal —having concurred with the opinion of the chief judge in Schlesinger vs. Gilhooly (189 N. Y., 1), except as to the effect of the Negotiable Instruments Law, although the statement of such concurrence was inadvertently omitted from the report of that case.

Werner and Hiscock, JJ., concur with Haight, J., and Cullen, Ch.J., and Willard Bartlett, J., also concur in memoranda with Haight, J.; Gray and Chase, JJ., dissent.

Judgment accordingly.

TAXATION OF NATIONAL BANK STOCK—FLAT RATE.

PEOPLE, EX REL, THE BRIDGEPORT SAVINGS BANK vs. THOMAS L. FEITNER, ET AL., COMMISSIONERS OF TAXES AND ASSESSMENTS OF THE CITY OF NEW YORK.

COURT OF APPEALS OF NEW YORK, JANUARY 31 1908.

The law of New York imposing a tax of one per centum on the value of each share of the outstanding capital stock of national banks does not conflict with the provisions of the National Bank Act.

In taxing national bank stock the state legislature may fix a low flat rate without deductions on account of debts, so long as there is no discrimination unfavorable to the banks and no inequality in the effect upon stockholders generally.

The provisions of the Tax Law (sec. 35) with respect to notice and grievance day that "in any city the notice shall conform to the requirements of the law relating to the time, place and manner of revising assessments in such city," do not apply to the taxation of bank shares in a city where, as in the City of New York, the last grievance day fixed by its charter expires before the date fixed by the Tax Law for making the returns by banks to the assessing officers on which the tax is based; but the general provisions of the Tax Law for notice and grievance day govern in such a case.

APPEAL from an order of the Appellate Division of the Supreme Court in the First Judicial Department affirming an order made at Special Term which dismissed a writ of certiorari and confirmed an assessment of taxes.

The writ of certiorari was procured to review the determination of the respondents in assessing for the purpose of taxation certain shares of stock owned by the relator in one state bank

and in ten national banks in the State of New York. The facts were as follows: The relator is a Connecticut savings bank and owned on June 1, 1901, the bank shares enumerated in the petition. It had on that day assets and liabilities of such character and amount that it would have been exempt from any taxation under the laws of New York had it been permitted to deduct its debts in arriving at its taxable surplus, as in the case of an individual taxpayer other than a bank stockholder.

The assessment of relator's bank shares was made pursuant to the amendments of sections 23 and 24 of the Tax Law, effected by chapter 550 of the Laws of 1901. The procedure was as follows: The chief fiscal officers of these banks reported to the defendants by July 1, 1901, the condition of their banks, as required by section 23 of the Tax Law. In June, 1901, the relator gave notice to the defendants that it claimed to be exempt from assessment on account of its deductible debts and tendered proofs of the fact, but was refused a hearing. At some time prior to October 30, 1901, the defendants assessed these stocks against the relator at the amounts named in the petition and served written notice thereof upon the respective banks on October 31, 1901. On November 13, 1901, the writ herein was issued and served. The general tax rate for 1901 in the Borough of Manhattan, where the banks were located, was 2.31733 per cent. The tax on bank shares is fixed by section 24 of the Tax Law at 1 per centum.

The assessment was confirmed by the court at Special Term and the Appellate Division affirmed the order, two of the justices dissenting.

VANN, *J.*: No state has power to tax national banks without the consent of Congress, because they are agencies of the Federal Government and the power to tax involves the power to destroy (Owensboro Nat. Bank vs. Owensboro, 173 U. S., 664). Congress gave its consent many years ago through a statute which commits the subject, including by express mention "the manner and place," of taxing all shares of national banks located within a state to the legislature thereof, "subject only to the two restrictions that the taxation shall not be at a greater rate than is assessed upon other moneyed capital in the hands of individual citizens of such state, and that the shares of any national banking association owned by non-residents of any state shall be taxed in the city or town where the bank is located and not elsewhere." The statute also provides that "nothing herein shall be construed to exempt the real property of associations from either state, county or municipal taxes, to the same extent, according to its value, as other real property is taxed" (U. S. R. S., sec. 5219).

The State of New York exercised this power by enacting sections 23 and 24 of the Tax Law, by which a new and special system of assessment and taxation was created and applied solely to banks, both national and state. The method or "manner" of assessment rests primarily on a report which the chief fiscal officer of every bank is required to make to the assessors of the tax district where the bank is located, on or before the first day of July in each year, stating the amount of its authorized capital stock, the number of shares and the par value thereof, the amount of stock paid in, the amount of the surplus and undivided profits, a complete list of the shareholders and the number of shares held by each (Tax Law, sec. 23; L. 1901, chap. 550).

The rule of assessment and taxation prescribed is that the rate shall be no greater than that imposed upon other moneyed capital in the state, and the rule of valuation is to add together the amount of the capital stock, surplus and undivided profits and divide the result by the number of shares outstanding. The value of each share is thus ascertained and the rate of tax prescribed is 1 per centum on such value, with no right to any deduction from the taxable value of the shares on account of the

personal indebtedness of the owner thereof. This tax is in lieu of all other taxes for state, county or local purposes, either on shares or on the personal property of the bank.

The tax is levied by the board of supervisors of the several counties, except the County of New York, on or before the 15th day of December in each year, by ascertaining through an inspection of the assessment rolls the assessed value of the shares and mailing to the president or cashier of each bank a statement of the amount of its capital stock, surplus and undivided profits, the number of outstanding shares, the value of each share, valued by the assessors according to the rule above prescribed, and the aggregate amount of tax to be paid by such bank. It is made the duty of each bank to collect the tax due upon its shares from the several owners thereof, and to pay the same to the county treasurer, or in the City of New York to the receiver of taxes, within fifteen days after the receipt of such statement (id., sec. 24).

The same section provides that "complaints in relation to the assessments of the shares of stock of banks and banking associations made under the provisions of this act shall be heard and determined as provided in article 2, section 36, of the Tax Law." The section closes with the proviso "that in the City of New York the statement of bank assessment and tax herein provided for shall be made by the board of tax commissioners of said city, on or before the fifteenth day of December in each year, and by them forthwith mailed to the respective banks and banking associations located in said city, and a certified copy thereof sent to the receiver of taxes of said city. The tax shall be paid by the respective banks in said city to the said receiver of taxes within fifteen days after the receipt of said statement, and said tax shall be collected by the said receiver of taxes and shall be by him paid into the treasury of said city to the credit of the general fund thereof. This act is not to be construed as an exemption of the real estate of banks or banking associations from taxation."

These are the only sections of the Tax Law that apply especially to the assessment of shares of bank stock. Among other sections that are general in their application is section thirty-five, which provides that the assessors shall complete the assessment roll on or before the first day of August and at once give notice where it may be seen and examined by any person until the third Tuesday of August next following, and that on that day they will meet at a time and place specified in the notice to review their assessments. It further provides that "in any city the notice shall conform to the requirements of the law regulating the time, place and manner of revising assessments in such city."

Section thirty-six provides that "the assessors shall meet at the time and place specified in such notice and hear and determine all complaints in relation to such assessments brought before them, and for that purpose they may adjourn from time to time." Provision is made for taking testimony and hearing proofs relating to any complaint and the assessment to which it relates, and finally that "the assessors shall, after said examination, fix the value of the property of the complainant and for that purpose may increase or diminish the assessment thereof."

According to the Charter of the City of New York (sec. 1901, ch. 466) the assessment rolls containing the "assessed valuations of real and personal property" are to be completed "on or before the second Monday of January in each year" (sec. 899). The books are open to inspection until the first of April, and during said interval complaints may be made and errors corrected (secs. 892, 895 and 898). During the months of April and May the commissioners act upon applications previously made to diminish the valuation, but their power to make corrections of any kind ceases by the first of June. The clerical work of preparing the revised rolls is finished by the first

Monday of July, when the rolls are delivered to the board of aldermen, and the commissioners no longer had even the custody thereof (sec. 907). The tax rolls are complete and delivered to the receiver of taxes on or before the fifteenth of September, with the proper warrant annexed for the collection of the taxes, which are due and payable on the first Monday of October, with a reward for paying before the first of November and a penalty for not paying until after the first of December (secs. 914, 915, 916).

We have little trouble over the claim of the relator that the assessment upon its shares of stock in national banks is unlawful because no deduction of debts was allowed. No unequal burden was cast on national banks or their stockholders, nor any unjust discrimination made against them by our Tax Law, merely because a different system was adopted in taxing their shares of stock, as well as the shares of stock in state banks, from that applied to other personal property. Congress has expressly committed to the legislature of each state the power of directing and determining the manner and place of taxing all the shares of national banking associations, subject only to the two restrictions named in the section quoted from the Federal act. The rule of valuation prescribed by the state statute is to add the amount of capital stock, surplus and undivided profits together and divide the result by the number of shares outstanding. These data are furnished by the officers of the bank, and the application of the rule thereto necessarily leads to the exact value of each share. The assessment, although based on this valuation, is not made, as in other cases, in accordance with the proportion which such valuation bears to the amount necessary to be raised by government, but upon the basis of a flat rate of 1 per centum, which in the case before us was less than one-half the rate at which other property was taxed. The state is not obliged to apply the same system to the taxation of national banks that it uses in the taxation of other property, provided no injustice, inequality or unfriendly discrimination is inflicted upon them. We find nothing of this character either in what was done in the case before us or in what might be done in any case under the Tax Law. The flat rate was more favorable to the relator than the general rate in the City of New York and, so far as appears, elsewhere in the state, and while that may not be conclusive, still a different system was open to use by the state, and the system adopted is neither unequal nor unfair, at least as to the national banks. If any bank is located in a tax district where the rate is less than 1 per centum, though we fear there is none so fortunate, its stockholders will be entitled to a reduction to conform thereto, for the Tax Law expressly provides that "in assessing the shares of stock of banks or banking associations organized under the authority of this state or the United States the assessment and taxation shall not be at a greater rate than is made or assessed upon other moneyed capital in the hands of individual citizens of this state" (L. 1896, ch. 908, L. 24, as amended L. 1901, ch. 550).

It was within the power of the legislature to weigh advantages and disadvantages and to substitute a low and flat rate of taxation, an advantage which other property does not have, in the place of the deduction of debts, an advantage which other owners of personal property enjoy. If, in order to promote convenience and facilitate collection of taxes on property owned largely by non-residents scattered all over the country, they saw fit to substitute in place of the ordinary rule applicable mainly to residents of the immediate locality, a favorable flat rate with no exemptions for debts, it was in their power to do so, for on the average the new system is more favorable to the owners of bank shares than the general system. When all things are considered, the rate, even without the privilege of deducting debts, is not greater than that applied to other moneyed

capital in the hands of individual citizens of the state.

The fact that the special system may not be as favorable as the general system in an isolated case does not create a conflict with the Federal constitution or statute, for a general statute is a rule of action not for a few but for all the people. The accident that it may bear more heavily upon some persons than upon others, owing to their peculiar situation, does not affect its validity, for that is a feature common to most general statutes. Where there is no intentional discrimination against national banks and no inequality in the effect upon their stockholders generally, the act is valid, and this, we think, is true of those provisions of the Tax Law under consideration.

The relator, however, contends that the tax in question was imposed without notice or any opportunity to be heard, and that the statute contains no provision for either. If this is true, not only must the tax be set aside, but the statute must be adjudged invalid, for it is a principle of our law that there can be no taxation without notice and a chance to complain on account of alleged error or mistake. The notice need not be personal, as it may be by general statute, which is notice to all, but it must afford a reasonable opportunity to make complaint. It must be of such a character that compliance therewith is possible so that the taxpayer may object or protest, even if he has no just grounds for doing either (Stuart vs. Palmer, 74 N. Y., 190; Matter of McPherson, 104 N. Y., 321; McLaughlin vs. Miller, 124 N. Y., 517; Matter of Douglas vs. Board of Supervisors, Westchester Co., 172 N. Y., 314; People ex rel. Moller vs. O'Donnel, 183 N. Y., 9, 12).

A statute, however, will not be adjudged to violate the Constitution if by any reasonable construction it can be given a meaning in harmony with that instrument. "As every presumption is in favor of the statute, if it is open to two constructions, one of which would obey and the other violate the Constitution, the universal rule of courts is to select the former" (People ex. rel. Simpson vs. Wells, 181 N. Y., 252, 257).

If the general provisions of the Tax Law relating to a grievance day apply to the assessment and taxation of bank shares, it is obvious that there is no cause for complaint so far as the law itself is concerned, whatever may be said if there was a failure to comply therewith. It is clear that the Tax Law assumes to give a hearing to the holders of shares of bank stock before the assessments upon them become final, for section 24 expressly provides that "complaints in relation to the assessments of the shares of stock of banks and banking associations made under the provisions of this act shall be heard and determined as provided in article 2, section 36, of the Tax Law." Upon turning to section 36 we find that the assessors are required to meet at the time and place specified in a certain notice and hear and determine all complaints in relation to such assessments that are brought before them. For the notice mentioned in this section we are referred to section 35, which provides that the assessors shall complete the assessment roll on or before the first day of August. They are also required to post notices that the roll has been completed and that a copy thereof has been left with one of their number at a specified place, where it may be examined by any person until the third Tuesday of August next following, and that on that day they will meet at the time and place named in the notice to review their assessments. If this were all no question could be seriously raised as to the constitutionality of the statute in the respect now under consideration.

The section, however, further provides that "in any city the notice shall conform to the requirements of the law regulating the time, place and manner of revising assessments in such city." Under the Charter of the City of New York ordinary property, both real and personal, but not including bank shares, is assessed as of the second Monday of

January, and the time prescribed for hearing complaints and revising the assessments by the assessors expires on the 31st of May (secs. 892, 895, Greater New York Charter; People ex rel. Simpson vs. Wells, 181 N. Y., 252). Under these provisions of the charter it is insisted that the Tax Law is unconstitutional so far as it relates to the taxing of bank shares, because the last grievance day would have passed before the assessment on that kind of property could be imposed, since the return from the bank is not required prior to July 1. If these provisions of the charter apply to taxation on bank shares there can be no answer to this contention, but it seems to us absurd to construe the provisions in section 35 concerning notice in cities as applicable to the assessment of bank shares in the City of New York. Such a construction would impute to the legislature the intention of giving a grievance day in form, but without holding it in fact. It is not a question of mere constitutionality. It is an inherent impossibility to review in May an assessment not imposed until after the first of July, and this would be equally so even though both state and federal constitutions expressly authorized it. The provision relied upon by the relator in section 35 should be construed as applicable only where it is possible to apply it. A review of the various charter provisions of the City of New York and the amendments of sections 23 and 24 of the Tax Law, as made in 1901, in relation to the taxing of bank stocks shows that the two schemes are absolutely independent. The assessment rolls of real and personal property other than bank stock are required by the charter to be delivered to the board of selectmen at the annual meeting on the first Monday of July (sec. 907). On the data required to be furnished by the comptroller of the amount to be raised by taxation the aldermen proceed to estimate the tax rate to be imposed upon the taxable property of the city and to levy a tax upon each specific piece of property, real or personal. They deliver the tax roll and warrants to the receiver of taxes on or before the 15th of September. The taxes are due in November, with a rebate made for payment before that time and a penalty added for a failure to pay during that month. The board of aldermen levies no tax on bank stock, but the commissioners of taxes and assessments certify the amount of tax and the persons taxable to the receiver of taxes on or before the 15th of September, and the taxes thereon become payable during that month.

Thus it is evident that the scheme of taxing bank shares, not only in respect to the amount, but also as to the method and manner of its imposition, stands by itself, independent and separate from that prescribed for the assessment and taxation of other property. It follows, therefore, that the charter provisions do not apply to the taxation of bank stock, but the general law as it appears in sections 35 and 36. The assessors are required to complete their assessments before the first day of August, to expose the roll as completed for inspection until the third Tuesday in August, to then meet and hear complaints, pass upon them and revise their assessments accordingly. We regard this construction as reasonable, and hence, according to the rule laid down in People ex. rel. Simpson vs. Wells (supra) we adopt it and hold that the statute is valid.

There is a material difference between a case where the statute imposing the tax fails to provide a grievance day and a case where the taxpayer has been deprived of an opportunity to be heard because the assessing officers failed to give him notice as provided by statute. A taxing act, which requires a valuation of property as part of the procedure, is unconstitutional unless it provides a grievance day, or an adequate opportunity to be heard, and any tax levied under such a statute is void. If, however, a grievance day is provided, but notice thereof is not given, while the staute is valid, the tax is voidable. The assessors have jurisdiction, but the failure to give notice is an irregularity

(People vs. Turner, 145 N. Y., 451), and the assessment, if attacked in due form and in due time, will be set aside on account of such irregularity. In the case now before us the statute was valid, but the assessing officers failed to comply with it. They gave no notice and refused to hear any complaint, owing, doubtless, to a misunderstanding of the law. While, therefore, we hold the statute valid, we are compelled, on account of the irregularity in failing to give notice, to reverse the orders of the Appellate Division and of the Special Term and to cancel the assessment against the relator, with costs in all courts.

Cullen, Ch.J.; Gray, Werner, Willard Bartlett, Hiscock and Chase, JJ., concur.

Ordered accordingly.

NEGOTIABLE INSTRUMENTS LAW—NOTE INDORSED TO CASHIER — TRANSFER OF NOTE WITHOUT INDORSEMENT.

FIRST NATIONAL BANK OF POMEROY, IOWA, vs. McCULLOUGH.

SUPREME COURT OF OREGON, JANUARY 21, 1908.

The provision of the Negotiable Instruments Law that an instrument payable to a person as "cashier" is *prima facie* payable to the bank of which he is such officer, does not apply where the cashier's individual name is used without the title of his office.

Under the Negotiable Instruments Law, as well as under the law merchant, the transferee of commercial paper payable to order, who takes the same without the indorsement of the transferer, acquires only the title of the latter, and takes subject to any defence that may be asserted against him.

But such a transferee may bring suit upon the paper in his own name.

THIS was an action upon two promissory notes which had been indorsed to one M. L. Moody, and by him indorsed to the cashier of the plaintiff in the following form: "Pay A. B. Nixon, or order, waiving demand and notice of protest. H. L. Moody."

MOORE, *J.* (omitting part of the opinion): The consideration of the exception reserved is therefore limited to an inquiry as to whether or not parol evidence was admissible to show that the indorsement of the notes to Nixon, though not designated as cashier, was such a transfer as vested the legal title in the bank, and precluded the defendants from maintaining any defense that they might have had against the payee or indorsee. We will examine the cases to which plaintiff's counsel call attention in support of the legal principle which they seek to invoke. In Arlington vs. Hinds, 1 D. Chip. (Vt.) 431, 12 Am. Dec. 704, it was held that a note made to a town treasurer, "or his successors in office," might be sued by the town. In National Life Ins. Co. vs. Allen, 116 Mass. 398, it was ruled that a principal might sue in his own name on a nonnegotiable promissory note, given for its benefit, but by its terms made payable to "J. T. Phelps, agent."

In Bank of New York vs. Bank of Ohio, 29 N. Y. 619, in adhering to the rule announced in the case of Bank of Genesee vs. Patchin Bank, 19 N. Y. 312, it was determined that a bill drawn payable to "D. C. Converse, Esq., cashier," was payable to the bank of which he was the officer. So, too, in Baldwin vs. Bank of Newbury, 1 Wall. (U. S.) 234, 17 L. Ed. 534, it was adjudged that, where negotiable paper was drawn to a person by name, immediately after which appeared the word "cashier," but with no designation of the particular bank of which he was such officer, parol evidence was admissible to show that he was the cashier of the bank which was plaintiff in the suit, and that in taking the paper he was acting as agent for the corporation.

The rule to be extracted from these decisions has been embodied in our statute, known as the "Uniform Negotiable Instrument Law," as follows: "When an instrument is drawn or indorsed to a person as 'cashier,' or other fiscal offi-

cer of a bank or corporation, it is deemed *prima facie* to be payable to the bank or corporation of which he is such officer, and may be negotiated by either the indorsement of the bank or corporation, or the indorsement of the officer." (B. & C. Comp, sec. 4444.)

The clause just quoted, and the decisions adverted to, are undoubtedly based on the theory that the employment of the qualifying word "cashier" or other designation of a fiscal office, appended to the name of a payee or indorsee of commercial paper, creates an ambiguity as to the real party intended, to explain which parol evidence is admissible to show who is the principal for whose benefit such agent received or accepted the promise to pay a stipulated sum of money. In the case at bar, however, no official designation is added to Nixon's name, and hence no uncertainty is apparent from an inspection of the indorsement made by Moody to him, and parol evidence was inadmissible to control or vary the terms of the writing. In view of the purpose for which Moody's testimony was evidently offered, no error was committed in striking it out.

* * * * * *

It is argued that, having taken an exception to the following part of the court's charge, an error was committed in giving it, to wit: "I instruct you, gentlemen of the jury, that the indorsement on the notes in question, under the evidence in this case, plaintiff did not come into possession of the notes in controversy in due course, or in the ordinary and usual course of business as recognized by the law; and therefore that any defense which these defendants many have had against said notes, if in the hands of the indorsee, H. L. Moody, will be available to the defendants as against this plaintiff." The uniform practice of merchants in transferring credits, represented by commercial paper, as a means of purchasing goods or settling accounts, gave rise to certain rules, demanded by the wants and convenience of trading communities, which are known as the law merchant, and have become a part of the common law (7 Cyc. 520; Woodbury vs. Roberts, 59 Iowa, 348).

An observance of these rules requires that the property represented by a promissory note, payable to order, when transferred to a designated party before maturity for a valuable consideration and without notice, should be evidenced by an indorsement on the instrument, or on a paper attached thereto, in order to bar the equities of antecedent parties. This method of transferring such property constitutes the ordinary or usual course of business, a departure from which is equivalent to a notice of equities, and subjects the negotiable instrument to defenses in the hands of a holder who has acquired a right thereto in any other manner. (B. & C. Comp. sec. 4433; Randolph, Com. Paper [2d Ed.] sec. 789; Roberts vs. Hall, 37 Conn. 205; Franklin vs. Twogood, 18 Iowa, 515; Elias vs. Finnegan, 37 Minn. 144, 33 N. W. 330.)

In Osgood's Adm'rs vs. Artt (C. C.) 17 Fed. 575, Mr. Justice Harlan, in discussing this subject, says: "It is a settled doctrine of the law merchant that the bona fide purchaser for value of negotiable paper, payable to order, if it be indorsed by the payee, takes the legal title unaffected by any equities which the payor may have as against the payee. But it is equally well settled that the purchaser, if the paper be delivered to him without indorsement, takes, by the law merchant, only the rights which the payee has, and therefore takes subject to any defense the payor might rightfully assert as against the payee."

A transfer, without indorsement, of a promissory note payable to order, assigns to the holder, under the rules of the law merchant, only an equitable right, to enforce which suit was formerly required to be maintained in the name of the payee. Our statute demands that every action, except in certain cases not involved herein, shall be prosecuted in the name of the real party in interest. B. & C. Comp. sec. 27. In Moore vs. Miller, 6 Or. 254, 25 Am.

Rep. 518, it was ruled that the holder of a note, payable to order, which had been transferred without indorsement, could maintain an action at law thereon in his own name. That decision, however, is not based on the section of the statute last referred to, but upon the fact that the evidence showed that the plaintiff therein possessed the title to the note sued on, and had the sole right to receive the money due thereon.

As illustrating the right of a holder of a negotiable promissory note, transferred without indorsement, to maintain an action thereon in his own name, see the very able opinion of Circuit Judge Gilbert in First Nat. Bank vs. Moore, 137 Fed. 505, 70 C. C. A. 89.

This legal principle is here adverted to for the purpose of showing that Moody's testimony was excluded, not on the ground of establishing a right in the plaintiff to maintain an action in its corporate name, but to prove that the bank was an indorsee, in due course, though not named in the evidence of the transfer, nor was any fiscal designation appended to the name of the indorsee from which it could be inferred that the plaintiff was the party intended by the writing. The note sued on having been delivered by Nixon, without indorsement, to the plaintiff, the bank was authorized to maintain an action thereon in its own name; but it took and held the paper subject to all equities existing in favor of the makers, and, this being so, no error was committed in giving the instruction under consideration.

COLLECTING BANK—MEASURE OF DAMAGES FOR NEGLIGENCE.

HENDRIX vs. JEFFERSON COUNTY SAVINGS BANK.

SUPREME COURT OF ALABAMA, NOVEMBER 21, 1907.

The measure of damages for the neglect of a collecting bank to properly perform its duty is the actual loss sustained by the owner of the paper, and the duty of proving the amount of loss devolves upon him.

THE plaintiff deposited with the defendant for collection a check for $1,100 on the Shelby County Bank, at Montevallo, Ala., but the check was not presented until after the drawee bank had suspended payment and passed into the hands of a receiver. The trial court found the following facts: The check was delivered to the defendant and entered to plaintiff's credit, on May 31, 1901, and that night forwarded by mail to the Shelby County Bank. Nothing having been heard from it, the defendant, three or four days later, sent a postal card tracer, and on the twenty-third sent a telegram. The check was received by the Shelby County Bank on May 14 or 15 and stamped "paid," and remained in that bank until it went into the hands of the receiver. The plaintiff was in Montevallo from May 14 to 22, and if the check had been presented over the counter at any time between these dates it would have been paid, and the plaintiff if he had been notified could have obtained payment in that mode.

Simpson, *J.*: As to the liability of a collecting bank for negligence in presenting or giving notice of dishonor of paper in its hands for collection, there has been much discussion in the courts. Even so great an authority as the pathfinder in American law, Chief Justice Marshall, remarked that "by failing to demand payment in time the bank would make the bill its own, and would become liable * * * for its amount" (Bank of Washington vs. Triplett, 1 Pet. [U. S.] 25, 31, 7 L. Ed. 37); but that case was decided on another principle, and our own court in an early case, which has become a leading one, showed that the learned Chief Justice "was not preparing to discuss the general rule," and that the facts of that case did not call for the remark, and held that in such a case the collecting bank is liable only for the actual loss which the owner of the bill sustained by reason of the negligence of the collecting bank. Bank of Mobile vs. Huggins, Adm'r, 3 Ala. 206, 215, et seq. That was a case in which

it was claimed that the failure to give notice had discharged the indorser, and the court held that the discharge of a solvent party is not an actual loss when there are other solvent parties bound, and that it rests with the principal to show, before he is entitled to recover the amount of the note as damages, that the parties who remain are unable to pay. (Id., headnote 6, and pages 220, 221.)

When the present case was before this court at a previous term, the court said: "It by no means follows, from the negligent failure of the bank to collect the check, or its negligent failure to give the owner timely notice of the dishonor of the paper, whereby he is denied fruitful opportunity to collect it himself, that the owner loses the demand for which the check was given, or any part of it," etc.; and also: "It will, therefore, not suffice for the owner to hale the collector bank into court and implead that: 'You took this check to collect it, you did not do your duty in that regard, and of consequence the check was not collected. Therefore the check is yours, and the amount of it in money is mine, and in your hands for me, and you must pay me that amount.' Hence it was held that counts 7 and 8 were 'so wanting in averments of damages suffered by plaintiff as to state no cause of action.'" (Jeff. Co. Sav. Bank vs. Hendrix [Ala.] 39 South, 295, 296, 1 L. R. A. [N. S.] 246.) In the case as presented to court now, said counts 7 and 8 were remodeled so as to state that "the assets of said bank are insufficient to enable him to collect therefrom, by dividends or otherwise, the full amount of said check, with interest," and that he will lose a large part, to wit, $1,000.

This case is also reported in 1 L. R. A. (N. S.) 246, and the annotator submits an extended note, citing many cases to the effect that the burden is upon the plaintiff to allege and prove what damage he has suffered by reason of the negligence of the collecting bank, and particularly calling attention to the fact that the remark in Daniel on Negotiable Instruments "that loss is prima facie the amount of the bill or note," etc., is not supported by the authorities cited by that author. In the case of Allen vs. Suydam, 17 Wend. 368, the Supreme Court of New York held that, where the agent was guilty of negligence in regard to presentment and notice, he was liable in damages to the full amount of the bill; but our own court criticised that case and refused to follow it, saying: "It is difficult to conceive how a mere agent, who is intrusted with the paper only for a specific purpose, in no wise coupled with an interest, can be held to proof of those circumstances on which its value or its worthlessness depends." (Bank of Mobile vs. Huggins, 3 Ala. 219) Subsequently that case went to the Court of Errors and Appeals of New York, and was reversed on the question of damages; the court holding that the jury should have been instructed "to find only such damages as they should, from the evidence, believe it probable the plaintiffs might have sustained by the delay." (Allen vs. Suydam, 20 Wend. [N. Y.] 321.)

It is true that it is stated in Sutherland on Damages that "if there is negligent delay by an agent in presenting a bill for acceptance, and the antecedent parties, though not thereby discharged from their legal liability, in the meantime become insolvent, the amount of the bill is prima facie the loss;" and there are authorities which use this expression. It is also true that the writer of the notes to Sutherland on Damages indicates that he agrees with the dissenting opinion of Senator Verplank in Allen vs. Suydam, 20 Wend. (N. Y.) 334; 3 Sutherland on Damages (3d Ed.) p. 2372, sec. 775, note 3; Merchants' State Bank vs. State Bank of Phillips, 94 Wis. 444, 69 N. W. 170; Comm. Bank vs. Red River Val. Nat. Bank, 8 N. D. 382.

It is probable that the word "insolvent" in these authorities is used in its ordinary sense, to show that nothing can be collected from the parties remaining on the bill, so that the prin-

ciple would not apply to a case where the estate of the party liable is in the hands of the bankrupt court, with some funds to be administered. However, in accordance with the weight of authority, and especially in view of the positive position taken by our own court, we hold that the measure of damages is the actual loss sustained, and that it is a part of the plaintiff's case to allege and prove the amount of loss. We understand this to be the effect of the decision in this case when previously here; and the amended counts alleging the insufficiency of the assets of the bankrupt estate should have been sustained by proof.

Again, even if the prima facie theory should be adopted, yet it would not change the result in this case, because the evidence shows as a matter of fact that there were assets of the bankrupt bank subject to the payment of this check, that dividends to the amount of 44 per centum had been declared and still there were assets. The drawer of the check was still the owner of it, and entitled to that dividend and any others that might follow. He should have gone on and proved what would probably be the entire dividend to which he would be entitled. Certainly the court could not say that he was entitled to the full face value of the check, when, for all that appears from the evidence, he may have already collected 44 per cent. of it, and there was no evidence before the court from which it could ascertain what the amount of actual damages was.

It cannot be said that it was the duty of the collecting bank to prove up the claim in bankruptcy and collect the dividends. It was agent only to present and collect the claim from the bank, and when it presented it, and gave notice of its dishonor, and charged it back to the drawer, the paper was the property of the drawer, and no one else could file it in the bankruptcy court. (3 Am. & Eng Ency. Law (2d Ed.) p. 817.) Neither is there any force in the contention that the defendant made the check its own because it did not return it to the plaintiff, as the evidence shows that the check was in the possession of the receiver in bankruptcy.

The judgment of the court is affirmed.

Tyson, C. J., and Anderson and Denison, JJ., concur.

PROMISSORY NOTE—IRREGULAR INDORSER — NEGOTIABLE INSTRUMENTS LAW.

ROCKFIELD, ET AL., vs. FIRST NATIONAL BANK OF SPRINGFIELD.

SUPREME COURT OF OHIO, DEC. 17, 1907.

Under the Negotiable Instruments Law, a third person placing his name in blank on the back of a promissory note before or at the time of delivery is an indorser, and cannot be held in any other capacity; and he is entitled to notice of dishonor the same as any other indorser.

In this respect the law of Ohio has been changed by the Negotiable Instruments Law.

THIS was an action by the First National Bank of Springfield, Ohio, against H. L. Rockfield, L. M. Goode, E. H. Ackerson, John Snyder, Frank Patterson and the Springfield Electric Railway Company to recover on a promissory note payable to the order of the bank on demand, for $10,000. The bank in its petition averred that the defendants other than the railroad company indorsed the note before it was delivered to the plaintiff, and that due demand had been made of each defendant, but no part had been paid. The defendants Rockfield, Snyder and Ackerson alleged in their answer that they had received no notice that the note had been dishonored by the maker, and to this answer the plaintiff demurred. The demurrer was sustained by the courts below, and the defendants Rockfield and Snyder brought a writ of error.

SPEAR, *J.* (after stating the facts as above): Whether or not the answer avers a defense to the cause of action set up in the petition is the question here. The theory of the defendants'

pleading is that Rockfield and Snyder, by writing their names across the back of the note, became indorsers in the commercial sense, and therefore entitled to notice of demand at maturity of the maker and of non-payment, and, failing that, no liability attached. The theory of the petition is that these defendants, having signed the note before delivery, must be held to have signed with the purpose of giving it credit and of aiding negotiability, and therefore stand as makers, and although their names appear on the back of the instrument, and they are in law sureties, yet they are not indorsers in the commercial sense, and therefore not entitled to notice of demand and non-payment. This view is the one adopted by the trial court, which incorporated in the judgment entry a finding that the defendants are indebted as joint and several makers of the note, and this is the view taken of the question by the circuit court in affirming the judgment of the common pleas. Which is the correct view is the question we have. And here it is proper to express our obligation to the learned counsel whose ample and luminous briefs have greatly aided in our examination and disposition of the case.

That the conclusion adopted by the lower court is in accord with the law as held in this state from early times, and with all decisions of this court thus far made, is conceded. The latest deliverance on the subject is the case of Ewan vs. Brooks-Waterfield Co. 55 Ohio St. 596, 45 N. E. 1094, 35 L. R. A. 786, 60 Am. St. Rep. 719, opinion by Williams, C. J. It is there held that where the name of a third party, a stranger to the note, appears in blank upon the back of the note at the time it takes effect, his undertaking rests upon the consideration which supports the note, and the presumption is that he intended to be liable as a surety, and he will be held accordingly unless it is shown that there was a different agreement between the parties. This conclusion is reached after a careful and somewhat extended review of authorities, many of them decisions of this court, and is supported by strong and convincing argument.

While a contrary doctrine, holding such party to be an indorser in the commercial sense, had been held in a number of states, notably Alabama, California, Connecticut, Indiana, Mississippi, New York, Oregon, Pennsylvania, and Wisconsin, the Ohio rule, as above indicated, had been the settled common-law rule of the states of Arkansas, Colorado, Delaware, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Hampshire, North Carolina, Rhode Island, South Carolina, Texas, Utah, and Vermont.

The statute referred to is the act of April 17, 1902, known as the Negotiable Instruments Act (95 Ohio Laws, p. 162), carried into the Revised Statutes of 1906 as sections 3171 to 3178g, inclusive, the particular sections relied upon being 3171, 3173h, 3173i, 3173k, 3173q, 3174g and 3178a. By the provisions of these sections a negotiable instrument must be in writing, and signed by the maker or drawer. The person primarily liable is the person who, by the terms of the instrument, is absolutely required to pay the same, all others being secondarily liable. A person placing his signature upon an instrument otherwise than as maker drawer or acceptor is deemed to be an indorser unless he clearly indicates, by appropriate words, his intention to be bound in some other capacity.

Then follows, as to liability, this: Where a person not otherwise a party to an instrument places thereon his signature in blank before delivery, he is liable as indorser: (1) If the instrument is payable to the order of a third person, he is liable to the payee and to all subsequent parties. (2) If the instrument is payable to the order of the maker or drawer, or is payable to bearer, he is liable to all parties subsequent to the maker or drawer. (3) If he signs for the accommodation of the payee he is liable to all parties subsequent to the payee. Every indorser who indorses without qualification guaran-

tees to all subsequent holders the genuineness of the instrument, the title, the capacity of previous parties to contract, etc., and engages that, on due presentment, the instrument shall be accepted or paid or both, as the case may be, and that if it be dishonored, and the necessary proceedings on dishonor be duly taken, he will pay the amount thereof to the holder or to any subsequent indorser who may be compelled to pay it. Presentment for payment must be made at a reasonable hour on a business day at a proper place to the person primarily liable on the instrument, or, if he is absent or inaccessible, to any person found at the place where the presentment is made. When such instrument has been dishonored by non-acceptance or non-payment, notice of dishonor must be given to the drawer and to each indorser, and any drawer or indorser to whom such notice is not given is discharged.

The question at issue very largely turns upon what is meant by the terms of section 3173i, the substance of which we here repeat: "Where a person not otherwise a party to an instrument places thereon his signature in blank before delivery, he is liable as indorser," etc. It seems to have been the view of the learned circuit court (see opinion by Dustin, J., 8 O. C. C. [N. S.] 290) that, inasmuch as the liability defined by the rules following the above-quoted portion of section 3173i does not differ essentially from the liability attaching to such party under the decisions of this court, no change in the law can be presumed to have been intended by the General Assembly in the enactment of the statute. Also, that the subsequent provisions of the sections relating to indorsers and providing what shall be done to fix liability, etc., are not inconsistent with this conclusion because the later sections apply only to general indorsers, and in those sections every indorser is described as such—is called an indorser—while in the earlier section the party described is only to be deemed an indorser, and has the liability of an indorser only to a limited extent.

The contention, further, is that the terms of section 3173h forbid the conclusion that such party is to be deemed an indorser in the commercial sense, because he must, in order to have effect, place his name on the back otherwise than as maker, and the rule is, and was, that the person so placing his name is a maker unless he shows a different agreement between the parties. There is much plausibility in these contentions, and they would seem to be sound were it not for the incorporation of the words "as indorser" in section 3173i.

Had these words been left out of the section the construction claimed would not seem an unnatural one. But we are required, by the inexorable rule of construction, to give to them some signification—some meaning consistent with a rational purpose in placing them in the statute. The lawmakers were making law. They cannot be presumed to have been simply dealing with legal terms in a loose, popular sense.

The word "indorser" has a distinct, clearly defined legal meaning. An indorser is one who undertakes to be responsible to the holder of the paper for the amount thereof, if the latter shall, at maturity, make legal demand of the payer, and, in default of payment, give proper notice thereof to the indorser. The language of the section is plain and free from ambiguity. The words express a clear meaning. The party has placed his name upon the instrument where general indorsers sign. He is not a party to the note, but is a stranger. Section 3171h says he shall be deemed to be an indorser unless he clearly indicates by appropriate words his intention to be bound in some other capacity. He has not so indicated. He has used no words appropriate or otherwise. His status on the paper is, therefore, fixed by the emphatic words of the statute. Then follows the fixing of liability. He is liable "as indorser." And how is that? Why, he must pay when, and only when, proper demand has been made of the maker at maturity

and legal notice given him. This is clearly shown by what follows. Every indorser who indorses without qualification engages that on due presentment and dishonor, and due notice to him, he will pay. This expresses the extent of his liability; without these requisites being complied with he is discharged. And, then, as though to cover a doubtful situation, the provision is (section 3171p) that, where the language of an instrument is ambiguous, because of the signature being so placed that it is not clear in what capacity the person intended to sign, he is deemed to be an indorser. Of the rules prescribed by section 3173i, it is enough to say that they are not inconsistent with the obligation of the general indorser. He, too, is liable to those who come after him as indorsers or holder. The important question is, not to whom is such party liable, but in what capacity—in what relation—is he liable?

The contention that the provision (section 3173k) to the effect that every indorser undertakes to pay if the instrument is dishonored and he has due notice applies only to general indorsers, we think untenable. The language forbids it. It is: "Every indorser who indorses without qualification," etc. The word "every" is a term of inclusion. It embraces every party who, by previous provisions, is classed as an indorser unless his indorsement has been qualified by appropriate words. Nor is the obligation as indorser imposed on the stranger an unreasonable one, for, if not content to assume the position of indorser, the opportunity to indicate upon the paper his intention to be bound in some other capacity is given him.

The contention that these later provisions relate only to general indorsers rests wholly on the assumption that in placing his name on the back in blank the stranger himself fixes his own position and that he has conclusively declared himself a maker; that is, that he has placed his name as maker. But it seems a sufficient answer to this to say that he has not and could not, by a mere blank indorsement, so place himself, because the statute fixes his position. That position is important only as it relates to his liability, and the statute has said that that liability is "as indorser." An indorser is not a maker or a drawer; not one primarily liable. This conclusion ignores neither the words, "A person placing his name upon an instrument otherwise than as maker," etc., nor the words, "Where a person not otherwise a party to an instrument places," etc. Both sections must be construed together. Thus construed, they simply describe a person who is not a party by the terms of the instrument. And he is not, in fact, such party, in any possible sense, at the time he places his signature. He remains a total stranger until he has placed his name on the back, and then the statute says he is an indorser.

But other considerations enter into the question. It is so much a matter of common knowledge as to make it proper to take judicial notice of the fact that the act herein considered was enacted because of an effort on the part of the bar of many, if not all, of the states of the Union to bring about a uniform system of law respecting negotiable instruments. In a substantial measure the effort has been successful. Of the states which had, by judicial decision, adopted the rule prevailing in this state, the legislatures of the following have enacted a negotiable instruments act substantially like that of Ohio, viz.: Colorado, Maryland, Massachusetts, North Carolina, Rhode Island and Utah. And it has been enacted also in the states of Connecticut, Florida, Iowa, New Jersey, New York, North Dakota, Oregon, Pennsylvania, Tennessee, Virginia, Washington and Wisconsin. Joyce on Defenses to Commercial Paper, at page 859, gives a list of 32 states and territories which have passed the act. All of these several statutes are not framed, in the particular here under investigation, in the exact language of the Ohio act, but it is believed that they all embody the same principle, and it is manifest that one prominent motive leading

to their enactment was the desire to establish a uniform law on the subject of negotiable instruments. And wherever these acts have received judicial interpretation in the several states this purpose has been recognized. (See Fessenden vs. Summers, 62 Cal. 484; Fisk vs. Miller, 63 Cal. 367; Downey vs. O'Keefe, 26 R. I. 571, 59 Atl. 929; Thorpe vs. White, 188 Mass. 333, 74 N. E. 592; 7 Cyc. 673; Bank vs. Law, 127 Mass. 72; Toole vs. Crafts, 193 Mass. 110, 78 N. E. 775; Gibbs vs. Guaraglia [N. J. Sup.] 67 Atl. 81; Baumeister vs. Kuntz [Fla.] 42 South. 886; Farquhar Co. vs. Higham [N. D.] 112 N. W. 557; Vander Ploeg vs. Van Zuuk [Iowa] 112 N. W. 807.)

That this purpose was prominent in the minds of the members of our General Assembly in the enactment of the Ohio act is shown by the title of the act itself, which is: "An act to establish a law uniform with the laws of other states on negotiable instruments." The desirability of such legislation had been long felt by commercial people of our state as well as by the judiciary and the bar at large. Indeed, the learned jurist who reported the case of Ewan vs. Brooks-Waterfield Co., *supra,* gives expression to that sentiment in his opinion. True, it is, as suggested by the circuit court, that the act covers many phases of the subject, and that the title does not apply especially to the subject of indorsement, but inasmuch as this very subject had been the source of irreconcilable conflict between judicial utterances in so many states, and that such differences of judicial interpretation of the common law had been so marked, and these differences so recently emphasized by this court, and the importance of uniformity in the law on this particular phase of the general subjects had been so recently pointed out, it is inconceivable, it seems to us, that the General Assembly, while treating the subject at large, should have failed to endeavor to establish uniformity respecting the position of indorsers and their liability to others connected with the paper. These considerations, if they stood alone, and if the language of the act were less plain than it is, would impose a duty upon this court to look for ground in the statute warranting the conclusion that the purpose of the act is to bring Ohio into harmony with the other states of the Union on so important a branch of the law as the relation of parties to commercial paper, but we are not compelled to resort to such an effort, for the plain, natural meaning of the language of the sections cited, as we think, fully warrants, if, indeed, it does not compel, the conclusion hereinbefore indicated, which conclusion is also supported by a number of the cases hereinbefore cited. (See Fessenden vs. Summers; Fisk vs. Miller; Downey vs. O'Keefe; Thorpe vs. White; 7 Cyc.; Bank vs. Law; Toole vs. Crafts; Gibbs vs. Guaraglia; Baumeister sv. Kuntz; Farquhar Co. vs. Higham; Vander Ploeg vs. Van Zuuk.)

But another purpose seems to us to be indicated by this legislation. Not only were the courts of the country in conflict respecting the attitude and liability of a third party—a stranger—who placed his name in blank on the back of commercial paper, but the situation was in itself an anomalous one, calculated to lead, as it often did lead, to confusion respecting the duty of the holder of such paper with regard to demand and notice. Mistakes in this respect were easy and were frequently made, often resulting in litigation, and, not infrequently, loss. To clear this situation up, and to establish a plain, easily understood rule, and one of universal application, was surely a result of high importance to all who deal in commercial paper, and it seems to us that the desire to accomplish this purpose had much to do with inducing the enactment of the Negotiable Instruments Act by our General Assembly.

It follows from these conclusions that by force of sections 3171, 3173h, 3173i, 3173k, 3173q, 3174g and 3178a of the Revised Statutes of 1906, a person who, being a stranger to a promissory note, places his name on the back by blank

indorsement, is an indorser of the paper and cannot be held in any other capacity. As such he is entitled, in order to render him liable, to notice of demand upon those who are primarily liable, and, failing such demand and due notice to him, he is discharged. The answer, therefore, stated a defense, and the sustaining of the demurrer and rendering judgment for the bank upon the note was error. Judgment reversed, and cause remanded.

Reversed.

Shauck, C.J., and Price, Crew, Summers and Davis, JJ., concur.

AGREEMENT TO MAKE LOANS —AGREEMENT NOT TO SUE— AUTHORITY OF CASHIER— AUTHORITY OF PRESIDENT.

E. SWINDELL & CO., ET AL., VS. THE BAINBRIDGE STATE BANK.

COURT OF APPEALS OF GEORGIA, JAN. 15, 1908.

A bank cannot be held liable for breach of a contract entered into by its cashier to lend it money without authority from the directors, and in violation of law.

The president of a bank has no power to bind it, except in the discharge of his ordinary duties; and it is not one of his ordinary duties to release debtors of the bank from the payment of their obligations to it.

Release from the payment of notes executed to the bank is made under the authority of the directors, and an unauthorized agreement by the president of the bank that the maker of promissory notes made payable to the bank shall be released from payment does not bind the bank.

THE Bainbridge State Bank brought three suits against Swindell & Co., a partnership, as makers, and the other defendants as indorsers, on certain promissory notes. Swindell & Co. filed pleas, which set up that Swindell, a member of said partnership, made an agreement with one Perry, the cashier of the bank, that the bank would lend to the defendants from time to time money up to the limit of $20,000 in such amounts as the firm might desire, the loans to be evidenced by the notes of the firm, and the defendants agreed to give to the bank all their domestic business, which amounted to a very large sum; that the bank, in pursuance of this agreement, did lend the defendants between $16,000 and $18,000, and refused to lend them the balance of the $20,000, and by such refusal damaged the defendants in the sum of $20,000, as by such refusal they were compelled to cancel contracts, and to operate their business at a loss for a lack of funds, and were compelled also to curtail their business, all of which results were caused by the breach of the bank's contract to lend the firm the sum of $20,000; that on the refusal of the bank to lend the additional amounts up to $20,000 Swindell & Co. notified the president of the bank that they would sue the bank for damages, and the president thereupon agreed that if they would not sue the bank, the bank would not sue them, on their promissory notes which the bank held. The damages were set up by way of recoupment against the notes, and the agreement not to sue the firm, made by the president of the bank, was set up as a complete release from the notes sued on. Demurrers to the pleas were sustained, and the pleas stricken.

HILL, *C.J.* (omitting part of the opinion): The cashier of the bank had no authority to make an agreement to lend $20,000 of the bank's money. If he had such authority, what limitation was there upon his right to lend all of the bank's assets to one individual? The direction of the bank is in its board of directors; and, even if the directors could delegate to a merely ministerial officer such as a cashier their legislative and judicial functions, they could not do so, unless expressly so authorized either by the general law or by the charter or by-laws of the bank. It is not claimed that the charter or by-laws of the plaintiff bank authorized its board of directors to make an agreement such as is relied upon as a defense in this case. But, even if such authority was conferred by the charter of the bank

upon the directors, it would be void in the case because in positive violation of the terms of the general law as contained in section 1916 of the Civil Code of 1895. 4 Thompson on Corporations, sections 4742, 4743, 4750, 4752; 5 Cyc. 466; Durkee vs. People, 155 Ill. 354, 40 N. E. 626, 46 Am. St. Rep. 340.

Of course, if the bank had no authority through its directors to make such a contract, the cashier could not have such authority. It, therefore, clearly follows that the bank could not have been held liable in damages for any breach of an agreement which the cashier had made with the defendants without authority from the bank and in direct violation of the banking laws of this state. This would be to give to the cashier greater authority than the law gives to its creature, the bank itself.

* * * * * *

When the bank refused to lend the firm the additional $2,000 to make the aggregate of the loans of $20,000 according to the alleged contract made by the cashier of the bank, the firm threatened to sue the bank for $20,000 as damages arising from this refusal. The plea alleges that to avoid the suit for damages the president of the bank made an oral agreement with Swindell of said firm that if the firm would not sue the bank for damages, the bank would not sue them on their notes executed to the bank for the loans. It is alleged that this agreement was fully executed by both parties, and that the bank, having kept the agreement until Swindell & Co. were barred from bringing a suit for damages, is now estopped from suing on the notes. This oral agreement is also relied upon as "a covenant never to sue, which is equivalent to a release." We think this agreement alleged to have been made by Swindell, acting for his firm, with the president of the bank, was invalid for several reasons. The agreement is alleged to have been made by the president of the bank, and the plea does not allege that this said officer had any authority from the directors of the bank to make an agreement or contract releasing the defendants from the payment of their notes for the loans made to them by the bank. The directors of the corporation, and not the president, have the powers of the corporation, and the president has no implied authority as such to act as the agent of the corporation and release its debtors from the payment of their debts to it. (2 Morawetz on Private Corporations, sec. 537; Cook on Stock and Stockholders, sec. 716.)

The Supreme Court of the United States, in the case of Bank vs. Dunn, 31 U. S. 51, 8 L. Ed. 316, holds that an agreement by the president and the cashier of a bank that the indorser of a note shall not be liable upon it to the bank does not bind the bank. The president of the bank has no authority to promise that the maker of paper, which he discounts as such president, need not pay it, or that the bank will not enforce it. (First National Bank vs. Tisdale, 18 Hun [N. Y.] 151.)

The president of a bank has no authority *ex virtute officii* to compromise claims due the bank (5 Cyc. sections 467, 470). The president of the bank cannot consent to an arrangement by which the security due the bank will be impaired, nor make promises which will relieve the maker of a note payable to the bank from responsibility (10 Cyc. sections 907, 911).

In Home Insurance Co. vs. Chattahoochee Lumber Co., 126 Ga. 334, it was held that no officer of the corporation had implied authority to waive the right of the company to indemnity which had already accrued; and in Merchants' Bank vs. Rawls, 7 Ga. 196, 50 Am. Dec. 394, the court said that the president of the bank without authority from the directors had no authority to sell judgments which were the property of the bank; and in Minnesota Lumber Co. vs. Hobbs, 122 Ga. 24, it was held that as a general rule the president has no inherent power to contract for the corporation. We think these authorities fully establish the proposition that the averments of the plea in this case were wholly insufficient to show that the president of the bank

was authorized to make an agreement which would release the defendants from the payment of the promissory notes held by the bank for loans and advances made to them by it. The agreement made by the president not to sue the defendants on their notes executed to the bank, being unauthorized, could not, of course, operate to relieve them from their written obligations.

The judgment of the lower court was accordingly affirmed.

PROMISSORY NOTES—NOTICE OF PROTEST — TIME FOR MAILING—NOTARY'S CERTIFICATE.

SIEGEL, ET AL., VS. DUBINSKY, ET AL.

SUPREME COURT OF NEW YORK, APPELLATE TERM, NOVEMBER 14, 1907.

Where the parties reside in the same city, notice of protest, if given by mail, must be deposited in the postoffice in time to reach the indorser on the day following.

THIS action was brought upon a promissory note made by one Morris Dubinsky to the order of the plaintiff, and indorsed by the defendant Dora Dubinsky. Dora Dubinsky, the indorser, alone defended.

Per Curiam: There is no evidence that a notice of protest was ever sent in any way to the defendant indorser by any person other than the notary. Assuming that his notice of protest is in evidence, that notice simply shows, not that it was mailed by him to any address of the defendant, but was mailed to her in care of the plaintiffs. There is no evidence in the case from which it could be presumed that the defendant was at the plaintiffs' residence or at their address, nor does the notice contain the reputed residence of the defendant. The defendant, it is true, did receive a notice of protest, mailed two days after the note became due and received by her three days thereafter, and any presumption that the notary used due diligence in obtaining the proper address of the defendant and mailing thereto a notice of protest is overcome by this proof. If the plaintiffs, upon receipt from the notary of the notice of protest, promptly mailed it to the defendant, it does not so appear in the testimony. To show due diligence in mailing a notice of protest, it must be shown that, if service is made by mail, it was deposited in the post office in time to reach the indorser in the usual course on the day following, where the parties reside in the same city. Section 174, Negotiable Instruments Law (Laws 1897, p. 741, c. 612).

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B.A., LL.B., Barrister, Toronto.]

BILLS OF EXCHANGE AND PROMISSORY NOTES—ERASURE OF WORD "RENEWAL"—MATERIAL ALTERATION — "APPROVAL" — HOLDER IN DUE COURSE—"TENOR."

MAXON VS. IRWIN (15 O. L. R., P. 81).

STATEMENT OF FACTS: This was an appeal from the county court in an action to recover on a promissory note made by the defendant. The circumstances are as follows:

Some time in 1905 the defendant gave to Norman Dawson & Co. his promissory note for $101 as accommodation to that firm. Norman discounted the note at a bank at Kingsville and obtained the proceeds.

ON January 30, 1906, the note being due, or nearly so, Norman went to the defendant, and stating that he was unable at present to take up the note, asked defendant to renew it for a month. Defendant agreed to do so, and by his instructions his daughter wrote a second note for $101, dated January 30, 1906, and the defendant signed it, but not until the daughter had by his instructions written upon the note near the lower left-hand corner,

and in the vacant space after the printed word "due" the word "renewal."

This is the note sued on. Norman took this second note to the plaintiffs and discounted it with them and received the proceeds, but before doing so he by some process removed the written word "renewal" so that the alteration was not "apparent;" though after hearing the evidence, and having one's attention directed to the place where the word was stated to have been written, one may observe slight indications of disturbance of the surface of the paper, and, by the use of a strong glass, see some traces of erasure. Norman soon afterward absconded, and the defendant has been compelled to pay the original note.

JUDGMENT (FALCONBRIDGE, *C.J.;* BRITTON and RIDDELL, *JJ.*): The first point to be decided is whether the alteration in question is a material one. If it is not the plaintiffs are entitled to succeed. It is quite true that the erasure of the word "renewal" in the margin of the note now sued on is not an alteration of any part of the contract to pay; and it is argued on behalf of the plaintiffs that, as the alteration is not material to the contract, it is therefore not a material alteration and does not avoid the contract. I have not, however, been able to bring myself to agree with this contention.

The learned Chief Justice then reviewed a number of cases dealing with the question of materiality of an alteration to a promissory note and refused to accept the argument that an alteration to be material must be material to the contract, but an alteration is sufficient if it renders the note substantially different and might affect the rights of the parties in other matters.

Adopting the principle pointed out in Suffell vs. The Bank of England, I am of opinion that the alteration now in question is a material one. If the maker of the note had any purpose in writing the word "renewal" on the face of the note, it was to give notice that the note was made for the purpose of taking up the note already discounted with the bank, and I think he is entitled, or rather would be entitled at common law, to set up that the note has been avoided by the material alteration.

The defendant is therefore entitled to succeed unless the plaintiffs can bring themselves within the proviso to sec. 145 of the Bills of Exchange Act, R. S. C. 1906, ch. 119. That proviso modifies in favor of the holder in due course the rigor of the common law rule already adverted to. The section is as follows: "145. When a bill or acceptance is materially altered without the assent of all parties liable on the bill, the bill is voided, except as against a party who has himself made, authorized, or assented to the alteration and subsequent endorsers; provided, that where a bill has been materially altered, but the alteration is not apparent, and the bill is in the hands of a holder in due course, such holder may avail himself of the bill as if it had not been altered, and may enforce payment of it according to its original tenor."

I think that the alteration is not "apparent" within the meaning of the act. The learned judge states that it requires the use of a magnifying-glass to observe the traces of the erasure.

The only other question is, whether the plaintiffs are holders in due course; that is (so far as is relevant to the present case) whether they have taken a note complete and regular on the face of it in good faith and for value; and whether at the time the note was negotiated to them they had no notice of any defect in the title of the person who negotiated it (Bills of Exchange Act, sec. 56).

By sec. 3 a thing is deemed to be done in good faith, within the meaning of the act, where it is done honestly, whether it is done negligently or not. The good faith of the plaintiffs is not attacked.

The plaintiffs had no actual notice when they took the note, and their right to the title of holders in due course must

be tested by their means of knowledge at the time of its negotiation to them.

To say that the plaintiffs are not holders in due course seems to me necessarily to impute to the defendant actual notice of something which had in fact been effectually concealed from him by the erasure of the word "renewal."

I think that the plaintiffs are holders in due course and are entitled to recover upon the note according to its original tenor.

The purport of this note is that the defendant promises to pay a certain sum on a certain day at a certain place to a named person or order. The tenor is not altered by the erasure of the word "renewal" in the margin, for the word never did form part of the contract. The fact that its erasure did not alter the contract to pay does not, as I have endeavored to point out, render the alteration an immaterial one, but the same fact prevents the omission or addition of the word "renewal" from constituting an alteration of the tenor of the instrument.

The other two judges agreed in the result that the appeal should be allowed and judgment entered for the plaintiffs, but Mr. Justice Riddell differed from the Chief Justice as to the circumstances upon which the question of materiality must turn, and states his view as follows:

In considering the question of materiality it is important to remember that this is a question of law and to be determined as a matter of law—not a question of fact to be determined upon consideration of the surrounding circumstances.

Vance vs. Lowther, L. R. 1 Ex. D. 176: "Any material alteration of a bill or note invalidates it, and the question is, what is the true principle on which the materiality must be determined. The county court judge seems to have thought that it was necessary to consider the surrounding circumstances in each case. In that I think he was wrong, and that we ought to look at the question of materiality with reference to the contract itself, and not with reference to the surrounding circumstances."

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

BALANCING OF PASS-BOOK—RETURN OF VOUCHERS.

Buffalo, N. Y., March 21, 1908.

Editor Bankers Magazine:

Sir: We are involved in a suit and the following questions have arisen:

1. What is an original book of entry?

2. Is not a depositor's pass-book merely a memorandum book and so held by the courts?

3. When a book is balanced and vouchers returned to customer, does not that put a period to all prior business between them, and if there were any error should not the customer detect it within reasonable time, rather than five years later?

4. A mortgage was taken covering the personal line of a borrower of the bank, and also his notes discounted at the bank by others. Upon sale of property it was found that the mortgage would only pay off seventy-five cents on the dollar. Can the bank pay itself off in full and pro rate the balance to the endorsers?

President.

Answer.—(1) A book of original entry is the book in which the entry is made at the time of the transaction. In a mercantile business this is ordinarily the cash book or day book. Ledger entries taken from some other book are not deemed "original," but the fact that the book is a ledger is not material, if the entry is made at the time of the transaction, and is not a mere copy.

(2 and 3) The writing up of the customer's pass-book and returning it to him with his vouchers is the statement of an account by the bank; and by retaining it, after a reasonable time for the examination of it has elapsed,

without objection, the customer is deemed to acquiesce in it, and admit it to be correct, and is equally bound by it as an account stated. But this account is only *prima facie,* and not conclusive, evidence of the dealings between the parties, and like any other account it may be impeached for fraud or mistake. (Hardy vs. Chesapeake Nat. Bank, 51 Md. 562; First Nat. Bank vs. Whitman, 94 U. S. 343; Welsh vs. German Am. Bank, 73 N. Y. 424.) The duty of the depositor in making the examination is such as prudent men usually bestow in the examination of such accounts, but, in ordinary cases, not more than this. (Leather Manufacturers' Bank vs. Morgan, 117 U. S. 96; Frank vs. Chemical Nat. Bank, 84 N. Y. 209; Shipman vs. Bank of the State of New York, 126 N. Y. 318.) If the customer's neglect to make an examination within a reasonable time leads the bank to believe that the account is acquiesced in and approved, and for that reason to omit to take steps for its protection which it could and would have taken had it been given notice that the account was incorrect, this will estop the customer from afterward questioning the correctness of the account. Thus, if the bank has paid altered or forged checks, and charged them to the customer upon his passbook, the fact that the customer has neglected to make an examination of the account and vouchers, and notify the bank of the forgeries or alterations, may preclude him from afterward disputing these debits. But if it is apparent that the bank's position is not changed to its disadvantage by the depositor's neglect, such neglect will not estop him from disputing the account. Nor would he be estopped when it is clear that an examination of the passbook and vouchers would not have disclosed the error or the fraud. The examination may be made by an agent or clerk of the depositor; and if such agent or clerk makes the examination in good faith, and with ordinary diligence, and gives due notice of any error found in the account, the duty of the depositor to the bank is discharged. In Shipman vs. the Bank of the State of New York (126 N. Y. 318) the Court said: "It is urged that the plaintiffs owed the duty to the defendant of examining the vouchers returned to them with the balanced pass-book from time to time, and that a careful examination of the same would have disclosed the fact that the money was received upon the checks by Bedell and his forgeries thus detected. The duty of examining the returned vouchers was delegated by the plaintiffs to their cashier and bookkeeper, who was a faithful and competent person for many years in plaintiffs' employ. The law imposed no duty upon the plaintiffs to do more than they did to ascertain whether the indorsements on the check were genuine." From this it will be seen that no general rule can be laid down which would be applicable to all cases, and each case must depend upon its own peculiar facts.

(4) The answer to this question must depend entirely upon the terms of the mortgage, or upon the terms of the agreement under which it was delivered to the bank.

CASHIER'S CHECK—STOPPING PAYMENT.

High Point, N. C., March 5, 1908.

Editor Bankers Magazine:

Sir: Will you kindly tell us in what issue of your Magazine we can find under your "Legal Decisions" something pertaining to the stopping of payment of a cashier's check. The writer remembers seeing something of the kind and had a case come up to-day of the same order.

C. L. Glenn, *Cashier.*

Answer.—This subject was discussed in the case of Drinkall vs. Movius State Bank, decided by the Supreme Court of North Dakota, and reported in The Bankers Magazine for March, 1902. In the course of the opinion in that case, it was said: "As between himself and the bank, the drawer of the check has the power of countermanding his order of payment at any time before

the bank has paid it, or committed itself to pay it. (5 Am. & Eng. Enc. Law [2d Ed.] 1079, and cases cited.) When the check, however, is certified by the bank, the power of revocation by the drawer ceases, and the bank becomes the debtor (1 Morse, Banks, Sections 398, 399). A cashier's check is of an entirely different nature. It is a bill of exchange drawn by the bank upon itself, and is accepted by the act of issuance; and, of course, the right of countermand, as applied to ordinary checks, does not exist as to it (2 Rand. Com. Paper, Section 588, 1 Daniel Neg. Inst. 444; 1 Pars. Notes & B. 288)."

CHECK LOST IN TRANSIT.

PEORIA, ILL., March 17, 1908.

Editor Bankers Magazine:

SIR: We shall regard as a special favor an answer in the columns of THE BANKERS MAGAZINE to the following question:

Has a bank the right to charge back to the account of a depositor the amount of a check payable at another point, for which credit has been taken, and which is subsequently lost in transit without the fault of the forwarding bank? If possible, cite Illinois cases. WILLIAM HAZZARD,
Asst. Cashier.

Answer.—We do not know of any case in which this precise question has been decided. It is clear, however, that if the title to the check passed to the bank, so that the bank became the owner, the loss of the paper would not entitle the bank to charge the amount to the customer; for in such case the bank would be in a position of any other transferee, and would have no more right to look to the customer for the amount than an individual to whom a check had been indorsed would have to reclaim the amount from his assignor upon proof that the instrument had been lost or stolen. The general rule is that where checks are deposited with a bank in the ordinary course of business, and the depositor given credit as so much money, the title to the paper passes to the bank, and the bank becomes indebted to the depositor for the amount. (In re State Bank, 56 Minn. 119; Armstrong v. Nat. Bank of Boyerstown, 90 Ky. 431; Frieberg vs. Cox; 97 Tenn. 550.) In Am. Trust & Savings Bank v. Gueder, etc., Co. (150 Ill. 336) the payee of a check indorsed it to his banker "for deposit" to be placed to the depositor's credit, and sent the same by mail to his banker. On the receipt of the check, the banker gave the depositor credit, on account, for the amount. The banker, after placing on the check the words "For collection and return," forwarded it to the drawer for payment. It was held that the deposit of the check was in legal effect a negotiation of the same, so as to vest the legal title in the banker, with the right on his part to charge it back to the depositor in case it was not paid on presentment. (See also Lauterman vs. Travous, 73 Ill. App. 670.) In ordinary cases, therefore, the fact that the check has been lost, whether with or without the fault of the bank, will afford no legal reason for charging the amount thereof to the depositor.

POST-DATED CHECK.

PRESCOTT, ARIZ., March 16, 1908.

Editor Bankers Magazine:

SIR: Will you kindly advise us as to whether a post-dated check is payable on the day of its date or on demand?

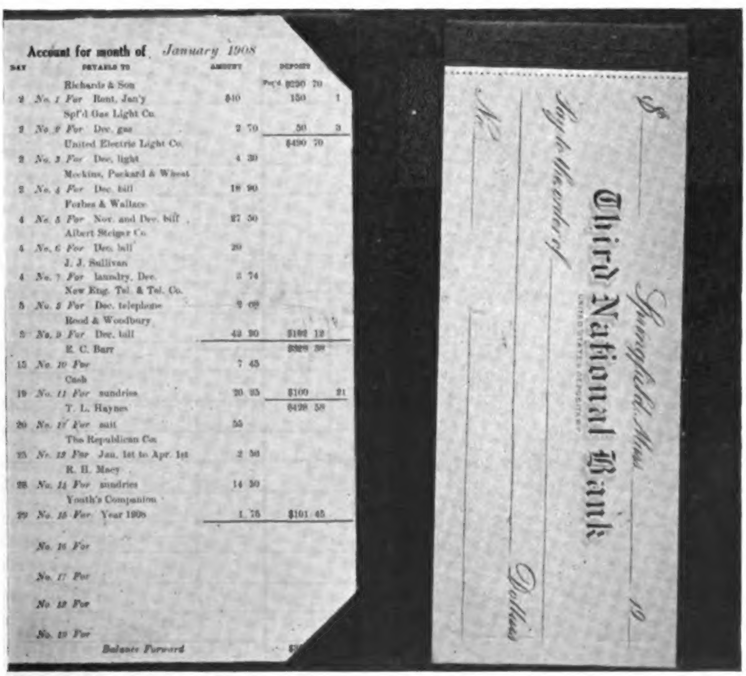
Also whether a post-dated check is properly protestable at any time before the date appearing on the usual date line of the check. CASHIER.

Answer.—Where a check is post-dated, it is payable on demand on or after the date mentioned therein, and hence it cannot be presented for payment or protested before that date. In Salter vs. Burt (20 Wendell [N. Y.] 205) a check drawn on August 9 was dated the 21st of the same month. The 21st fell on Sunday, and payment was demanded and notice of non-payment given on Saturday the 20th. The court held that the check having been presented before it became payable, the demand and notice were insufficient to charge the indorser.

PRACTICAL BANKING

NEW KIND OF CHECK BOOK.

THE accompanying cuts illustrate a new and very practicable style of check book which is the invention of Mr. A. J. Skinner, Assistant Cashier of the Third National Bank of Springfield, Mass.

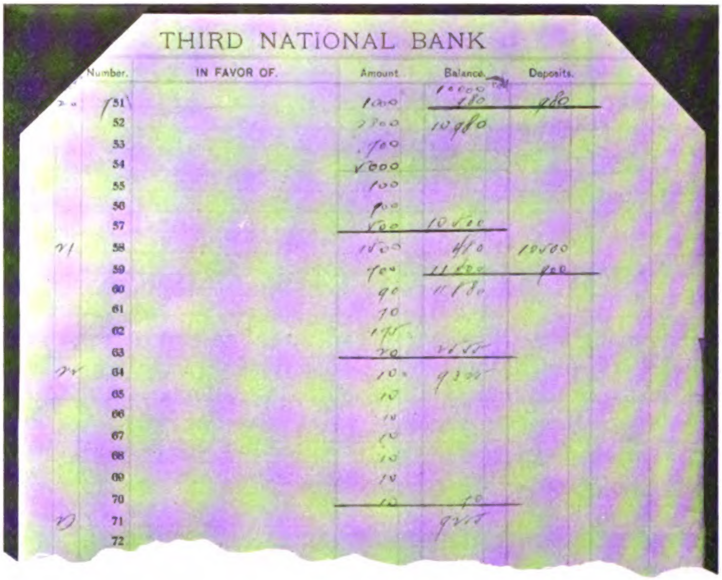


New Pocket Check Book.

In speaking of the system Mr. Skinner says:

"This book affords an easy surface to work upon as it is not bulky as many other check books are and it is always about the same size. The chief feature is the stub ruled to show fifty checks to an opening instead of three or five, as customary, and making a convenient form to file for reference, etc. The balance is carried on the same sheet with the checks and deposits. In the smaller sized book, which can be used either for desk or pocket, the chief advantage is that the stub will carry a year's record, as with the older kind several of the smaller covers would have to be referred to to see the same space of time. On an opening there are 38 check stubs in view instead of three, as on the old opening."

The Third National instructs its



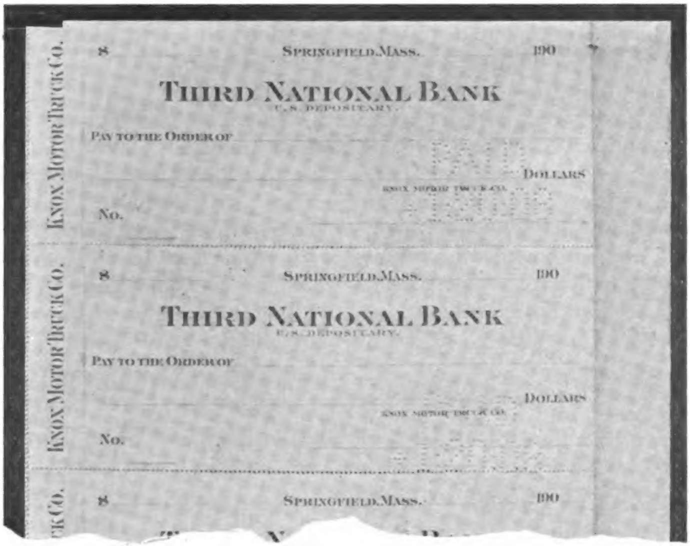
Left hand side of book.

customers in regard to the pocket check book as follows:

"This new style pocket check book is designed for use of our customers who do not draw over nineteen checks a month, the book being of convenient shape and of sufficient flexibility to conform to the pocket. The stub is arranged so as to have a month's record of checks and deposits on a page, thus showing at a glance the whole account, and as each month's account is separate, makes monthly comparisons easy. At the end of the year the small stub booklet gives a complete record for the period, whereas in the old style way several covers of stubs have to be referred to. The checks are furnished in small pads, the holder of which slips into a small pocket in the cover.

"There is a place, as usual, for the number of the check, date of issue, party to whom given and for what purpose. The record of the deposits and the amount of the checks are in adjacent columns and balances if desired can be figured any time during the month by footing the deposits and checks to date, care being taken to draw the line only across the column for the footing of the deposits, but across both columns for the footing of the checks, which serve as a subtracting line in making the deduction of the checks from the deposits, the footing of the checks being entered above this line in the deposit column, the balance resulting below.

"In figuring the balance during the month, the total number of checks drawn must be below the deposits entered so as to have the sum of the checks below the footing of the deposits and allow the deduction to be made. If more deposits are made care should be taken to enter beneath the balance obtained. At the end of the month the balance is figured whether the page is full or not, and carried forward to the ensuing deposit column. The sample herewith is spaced to show an account for the month of January, there being a $290.70 balance forwarded from the previous month. Deposits of $150.00 and $50.00 were made on the 1st and 3rd, respectively, and checks numbered from 1 to 9 drawn on and before the 5th of the month, on which date the depositor figured his balance by totaling his deposits and



Right hand side of book.

previous balance, footing his checks, entering the total above the line in the deposit column, which line is extended across both columns, and making the deduction, which shows a credit balance of $328.58. Later in the month, on the 21st, a deposit of $100.00 was made which is placed beneath the last balance. The balance is again figured on the last day of the month and the result obtained, $327.13, is carried forward for next month's work.

"As this bank has adopted the modern method of issuing monthly statements to all depositors, the balance of $327.13 should agree with the statement received provided all checks drawn have been paid. 'It is usually several days before checks are presented that are sent out of the city, and for this reason quite a few of our depositors plan to draw all checks before the 22d, thus allowing time to have them presented during the month.' In this instance, however, checks Nos. 14 and 15 being sent out of the city late in the month were not returned with the January statement, which showed a balance of $343.63 and the outstanding checks must be taken into account in the proof, as follows:

Balance forward	$327.13
Check not in No. 14....	14.50
Check not in No. 15....	2.00
Bank's balance	$343.63"

PRACTICAL BANKING NOTES.

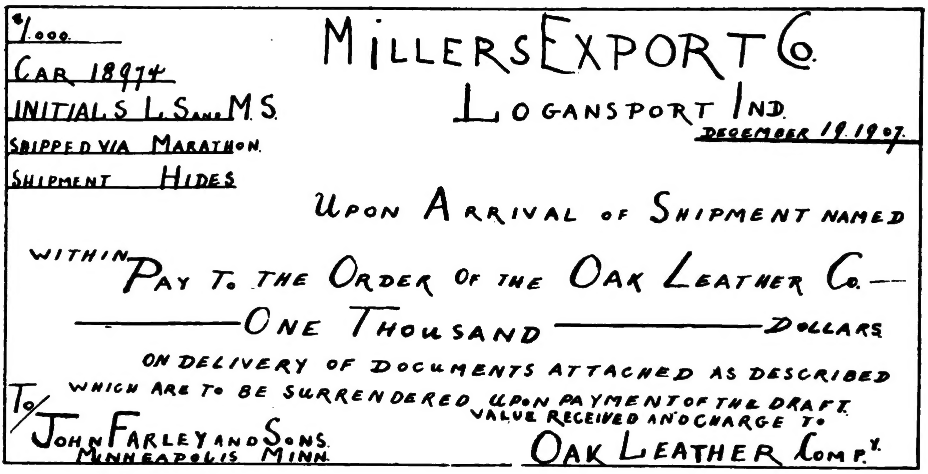
By James P. Gardner.

ANOTHER WORD CONCERNING "ARRIVAL" DRAFTS.

IN the September, 1907, number of the MAGAZINE attention was called to the advantage of drawing drafts, drawn payable subject to the arrival of goods, in such a way that the bank collecting these items would understand clearly that such were the terms of their collection. In this connection a form of draft is given below which comprises all of the require-

ments of such an instrument, and if the form is carefully executed by the merchant drawing up the draft, and were such forms to be uniformly used, it would add greatly to the convenience of everyone concerned.

It will be noticed that a space is provided for the number of the car, the route over which the goods are shipped, the nature of the shipment, the number by which the collecting bank should report the item, and every other condition necessary for drafts of this character. It will be seen at once that this form obviates the need of unpinning the bills of lading and examining the documents for these essentials. It further will be found to be a time saver for such banks as handle many drafts drawn up in this way when they are called upon by the drawees for information as to the car number and route of shipment.


$1.000.
Car 18974
Initials L.S.&M.S.
Shipped via Marathon.
Shipment Hides
Millers Export Co.
Logansport Ind.
December 19. 1907.
Upon Arrival of Shipment named within Pay to the Order of the Oak Leather Co.—
———One Thousand——— Dollars
on delivery of documents attached as described which are to be surrendered upon payment of the draft.
Value received and charge to
To John Farley and Sons. Minneapolis Minn.
Oak Leather Comp'y.

"IN NEW YORK EXCHANGE."

THE phrase "In New York Exchange" for many years past has practically been obsolete. In fact, bankers of this generation have found it rather difficult to understand the necessity of placing such a qualification upon a check, for in the general run of business with out-of-town banks the question in recent years has not come up of payment in anything but New York exchange.

The strained conditions recently existing required a fresh enforcement of this qualification and it has been given a new meaning, for with Richmond banks paying New York for collections with exchange on Baltimore, Philadelphia banks remitting with checks on Philadelphia, and Pittsburg remitting with checks on Pittsburg, the necessity of revivifying this "New York Exchange" qualification is apparent, and reaffirms the old adage of history repeating itself.

"IN GOD WE TRUST."

BY a vote of 266 to 5 the House of Representatives voted, on March 16, to restore the motto "In God We Trust" to the gold and silver coins. Recently the omission of the motto was directed by the President, who held that its use was not authorized by law.

A SAVING DISPOSITION.

"IS Howard stingy?"

"Is he stingy. Why, that man won't even buy a calendar for fear he may not live the year out to use it up?"—*Philadelphia Inquirer.*

CURRENT OPINION

EUROPEAN AND AMERICAN BANKING COMPARED.

SPEAKING at Columbia University recently, Mr. Paul Warburg of the well-known New York banking house of Kuhn, Loeb & Co., said:

"The European system aims at centralization, ours at decentralization. Europe believes in and has established a system of central banks, issuing an elastic currency which follows the requirements of commerce and trade and is based, more or less, on bills of exchange, while the United States has so far refused to re-establish a central bank and persists in maintaining a system of inelastic currency issued by 6,500 banks. The European system is built on modern bills of exchange, which form the quickest assets, while in the United States the rediscounting of paper by banks being practically unknown, the chief quick assets relied upon by the banks are call loans on Stock Exchange collateral. Europe has a system of general banks with large capital and branch banks all over the country; we prohibit a similar branch-bank system and prefer a network of 20,000 small independent banks and trust companies.

"Europe believes in a system of monthly or half-monthly liquidations for Stock Exchange transactions, while the United States maintains daily settlements.

"In order fully to understand the European system, it will be necessary to explain at the outset the importance of the bill of exchange in Europe in the financial intercourse among individuals as well as among the nations. In the United States our commercial paper is the old promissory note, it is a bill; in Europe commercial paper is a bill of exchange. I think I cannot more forcibly express the difference between the two. In the United States this promissory note is an investment, in Europe, it is a means of exchange. If, in the United States, this promissory note has entered the bank, it usually remains there until it falls due; if a New York bank, under normal conditions, would try to rediscount such paper it would create suspicion and distrust.

"A commercial borrower in Europe who does not get a cash advance will do one of two things: he will either sell to his bank or his broker his own three months' bill drawn on a banking firm willing to give him this credit, or he will sell the bill drawn by him on his customer in payment for goods sold to him, which bill may be subsequently passed on with the indorsement of the banker.

"It is one of the main duties and privileges of the Government banks to buy legitimate commercial paper, with bankers' acceptances or bankers' indorsements. As the Government banks buy this paper, the circulation of the notes which they issue in payment increases, and, on the other hand, as they collect this paper upon maturity and reduce their discounts, their outstanding circulation decreases. This means that they expand or contract according to the requirements of trade.

AUTOMATIC SHIFTING OF CREDITS.

"If an augmented demand for money and credit accommodation increases the

amount of notes outstanding, the Government bank, by raising its rate, purposes not only to encourage a general contraction of business and to force the general banks of the country to contract, but also to attract foreign money into the country. If England has a private discount rate of, say 6 per cent., that is, if first-class commercial paper accepted or indorsed by banks can be bought on an interest basis of six per cent., and if, at the same time, there is in France a discount rate of four per cent., it stands to reason that the big French banks and the French public will invest in English bills and that French money will go to England.

"The consequence of a broad bill market is that, whereas our banks keep against their deposits primarily call loans on Stock Exchange collateral, a European bank or banker will keep against his demand obligations a large amount of banking paper, which he can sell at any time at the discount rate, without causing any such commotion as is created with us when call money is rapidly withdrawn from the Stock Exchange.

"Call money rates and their daily fluctuations do not directly affect European Stock Exchanges. Europe has developed a system of monthly or half-monthly settlements on its stock exchanges, which means that from one settlement to the other the amount of cash required by the Stock Exchange remains stationary.

"The present American system of daily settlements, however, combined with the lack of a central bank and of modern paper, brings about the shocking conditions from which we are suffering. It is a fact that in Europe, where monthly settlements exist, such wild fluctuations as prevail with us are unknown, except in our own securities.

"The Scapegoat of the Nation."

"Our much-maligned Stock Exchange is the scapegoat of the nation. If trade contracts, the surplus money from the Atlantic to the Pacific is thrown on the Stock Exchange, creating easy money and encouraging speculation in securities just at a time when speculation ought to be slow; if industry and trade thrive and are in need of money, call loans are withdrawn from the Stock Exchange, and, the more money commerce and industry require, the more the Stock Exchange will be depleted. The usual consequence is our annual money panic and a resulting violent collapse of prices of securities.

"The net result of our system is that immense amounts of gold and currency are wastefully locked up, and that in spite of our immense gold treasure, which is four times as large as that of England, and notwithstanding our enormous per capita circulation of $35, we suffer almost annually from acute scarcity of money.

Note System Here Fixed and Rigid.

"If we only had the means energetically to contract our currency and to use our gold in a scientific and a practical way we should have gold and currency enough to meet any panic. As it is, the amount of notes outstanding is about stationary in times of activity or stagnation alike, while as a consequence the rates for money vary between zero and 200 per cent. In Europe it is the reverse; rates are fairly stationary, and the amount of notes outstanding contracts and expands. With a cash balance of $260,000,000 during the recent crisis, our Government had to incur new indebtedness to enable and to induce the banks to issue additional currency. Within three months the circulation increased through this artificial process by $80,000,000, but the Government had to lose about $1,000,000 of the people's money to reach this result. On the other hand, the German Reichsbank issued in one week, at the end of last December, 320,000,000 marks, and the government received a five per cent. tax on this issue, which is borne by those who received the money. These notes returned to the Reichsbank within less than three weeks.

A Central Clearing-House Needed.

"A central clearing-house, with power to issue against clearing-house certificates notes to be guaranteed by the United States, would, in my judgment, form the best solution for the time being. The creation of a central clearing-house with a capital of its own and with a limited dividend, the surplus revenue going to the United States, would leave present conditions undisturbed, and, while offering immediate relief, would at the same time constitute the right basis for future developments. The plan would possess the following advantages:

"1. The clearing-house would have its own gold reserve. It would centralize the additional note issue and would therefore do better service in permitting legitimate expansion as well as in forcing effective contraction, which, with sixty-five hundred independent note issuers, is well-nigh impossible. While additional notes issued by a bank mean an increase of deposits, which may perhaps be called any day, or which, on the other hand, may remain forever, an advance by the central clearing-house would be made to the banks for a given period, after which the money must be returned. It would, therefore, be safer for the banks, and at the same time insure contraction after a certain time, as in Europe.

"2. The central clearing-house would be able to accommodate commerce and industry in times of need by accepting commercial assets, provided that they are recognized as legitimate and safe by the indorsement of the local clearing-houses.

"3. It would leave our national banks without any further independent note-issuing power, and would in this respect be beneficial; for additional note-issuing power should logically carry with it further restrictions as to their privilege of doing a commercial business, whereas their privileges in this respect should rather be increased.

"4. Through the share in the profits reserved for the Government the latter would receive some return on the funds which it would deposit with the banks through the central clearing-house, whereas at present the Government does not receive any such return.

"5. It would form a medium through which gold loans might be contracted with European government banks in a way similar to that by which transactions have been concluded between the Bank of England and the Banque de France.

The Men and the Means Here.

"6. If there were formed to supervise the management of the central clearing-house a central board administered by salaried managers, as in Europe, and comprising both business men, largely selected from the clearing-house committees and political officials, it would eliminate the arbitrary powers which the Secretary of the Treasury is now called upon to exercise; it would create continuity of policy, which is most essential for the development of the country.

"And, finally, it would show that this country is able to produce a body of men as honest, as trustworthy, and as efficient as those into whose hands Europe has confided the care of its central banks. As the confidence in this body grows, as the banks come to feel its beneficent influence, the powers of this clearing-house may gradually be increased, and thus from the joint indorsement by the clearing-houses we may gradually gain our way to the indorsement and acceptance by individual banks, so that we may finally be able to develop a central organ that, safeguarded from political and from financial domination, and rigidly restricted as to its scope of business, will place us financially in a sound and healthy condition and that will cause us in this domain, as in others, to be respected as a modern and completely civilized nation."

CHOICE OF EVILS.

By many people it is realized that unless some plan for guaranteeing bank deposits is adopted, we shall have

a postal savings bank system. Some of the objections to such a system are thus stated by P. L. Hall, president of the Central National Bank, Lincoln, Neb.:

"I believe the time is near at hand when without some provision for a guaranty of bank deposits, this country will adopt the European plan of a postal savings bank, which cannot mean anything else than ultimate disaster to the small independent banks, especially of interior points, by taking deposits from all points touched by the postal service and aggregating such deposits in favored central banks, much after the manner that government deposits are now distributed and always have been."

EX-SECRETARY GAGE APPROVES THE FOWLER BILL.

THE BANKERS MAGAZINE has been furnished with a copy of the following letter:

March 3, 1908.

Honorable Charles N. Fowler,
House of Representatives,
Washington, D. C.

DEAR SIR: I want to congratulate you upon the report of your bill to the House by so strong a vote in the committee. Your labors are, however, I fear, but just begun.

It is probable, on the other hand, that this period of time is, in all respects, most favorable to secure attention to the comprehensive measures which your bill includes. The usual inertia of the public mind on the supposed recondite subjects of finances, banking and currency is broken. Every intelligent man is now disposed to "sit up" and think, and there is a consensus of opinion that something ought to be done, and that that something should be fundamentally curative of the evils experienced and so well established on sound principles as to give effective guarantees that we shall not be exposed to similar ills in the future.

As I expect to return at once to my home in California, I shall be quite "out of the running," and I see no practical way in which I can aid, as I would be glad to do, the great public work you have undertaken.

The more I study the bill reported by the House Committee, the more comprehensive and complete it seems to be. It at once removes the weakness in our Government finances, and brings the banking business into safe and natural relations toward those interests which it is the primary purpose of the bank to promote and serve. These interests are production, manufacturing and exchange.

I just mentioned the weakness in our Government finances. We are so accustomed to the situation that we are unconscious of it. This would come to our attention, however, with painful emphasis were we, under present conditions, to face a war involving, perhaps, an expenditure by our nation of a thousand millions a year—that is, three millions a day—a modest estimate, as the thoughtful must admit.

In my statement before the House, I enumerated these weaknesses as:

First, the present demand obligations outstanding against the Treasury under the name of legal tender notes—$346,000,000.

Second, the Government guarantee on $700,000,000 of bank notes.

To be sure, the Treasury holds as security for this undertaking a similar amount of its own bonds, but everyone knows that by this artificial contrivance the bonds so held are overvalued when put to the test in a free market by twenty to twenty-five per cent. The issue of millions of new bonds to meet the costs of war would strip the mask which now conceals the fact, and expose the weakness at the moment when greatest strength would be required. Thus nature revenges herself on the unwise and the imprudent.

The bill in question ought, then, to commend itself to the public mind in this: it provides a way without cost to the people which will in a comparative-

ly short period of time discharge the liability of the $346,000,000 first noted, and convert every "greenback" into a gold certificate, behind which will be good gold coin, dollar for dollar. Is not this a consummation to be wished? Does it not replace weakness by strength?

Scarcely less important, it eliminates entirely the unnatural guaranty of the Government to the bank notes and wipes out that liability, whatever may be the measure of responsibility therein involved. Further, by impounding, as it will if it have full operation, nearly the present sum total of the public debt into a fund provided by the banks, which shall effectively serve as a guaranty for bank creditors, whether as depositors or note-holders, it substantially removes the present bonded debt from any competition with the new Government issue, if made necessary in the contingency of war.

Lastly, looked at from the Government side, it reduces to a minimum the burden of maintaining, at a parity with gold, $600,000,000 of silver, the commercial value of which, in the world's markets, is less than $300,000,000. It accomplishes this by giving full priority in the field where money circulates from hand to hand to silver certificates through denominations so small that they cannot be released from active use.

All these things, the bill, if it becomes a law, and is co-operated in by the banks of the country, will secure.

Will it be co-operated in by the banks, and so made uniform and effective? That such co-operation is to the banks an advantage, I am certain, but being an ex-banker myself, I anticipate you will hear many objections from some who will conceive that the "guaranty fund" for deposits will be inimical to their present prestige and future superiority as compared to their neighbors or rivals. They will not go so far as to argue that the public should continuously endure afflicting losses from weak and unworthy methods of banking, in order that their superior methods may gain prestige and profit, but they will argue against the theoretical equality which, it seems to them, the guaranty fund tends to establish. To these objections you and those who aid you in argument for the bill will have to point out that in the health and prosperity of all, the real and lasting welfare of each is concerned. You will have to show that, under the new regime, character, capital and ability will win as elsewhere they do win their appropriate reward. Fortunately, too, you can show that what the bill proposes in that direction is directly in the line of evolution, for it is to be observed that certain large cities are voluntarily adopting the principle of neutrality for which the bill contends.

The city of Chicago furnishes at the moment a striking and wise example. Surprised, some time since, that one of their banks, the Chicago National, with liabilities aggregating some $27,000,000, was in an insolvent condition, the clearing-house banks, at a known large hazard to themselves, took over the assets of the Chicago National bodily, assumed and paid offhand its liabilities. Not again to be surprised in similar fashion, they agreed, by common consent among themselves, to have an agency of their own quite outside of the Government's official agency, to keep close inspection and tab upon the methods, doings and financial practices of each and every member of their organization, and upon any other bank or banker in the city for whom one of their number shall act as a clearing-house agency with power substantially to close the doors to any member by suspending that member from the clearing-house. The power of control in the clearing-house association is thus complete and absolute.

To be sure, they have not entered into legal obligation for losses to the public through a weak or failing member, but with the power of examination and control thus assumed, goes the duty to guardianship and protection. If they fail to administer and allow failure, always the results of vicious methods, to

occur in a fellow member, can they escape without dishonor the moral obligation to protect the public from the results of their laxity or neglect? Their action in the case of the Chicago National establishes a *precedent*. It is to be remembered that it was established when they did not possess the present power of intimate knowledge and control. This gives a good warrant for the belief that now, under the conditions above indicated, they cannot and will not depart from the method which precedent goes to establish. I am informed that both Kansas City and St. Louis are taking steps in harmony with those taken in Chicago. It will be to their advantage to do so, since the public will not be slow to give preference to those cities which adopt the conservative method described.

What is thus, or may be, accomplished by voluntary action here and there in clearing-house cities, the bill in question makes effective over the country through the twenty redemption districts proposed.

I have written too much already, but as this is probably my last word on the subject, you will make due allowance if I have been guilty of verbosity. With good wishes, I remain,

Yours very truly,

LYMAN J. GAGE.

PUBLIC BECOMING MORE CONSCIENTIOUS.

THOSE who are disposed to believe that things are getting better, despite all the talk that is heard of existing evils, will find comfort in these extracts from the recent address of Governor Folk of Missouri before the Civic Forum, New York city:

"What a remarkable change has come over the American people during the last six years! Things are not tolerated for a moment now that a half-dozen years ago were submitted to in silence. Then bribery was the common and accepted thing all over the land; not that all men gave bribes, or that a majority of officials took bribes, but it was generally regarded either with indifference or despair. Men gave bribes and thought nothing of it; men accepted bribes and boasted of the fact; legislative halls were made dens of thieves, while the conscience of the people was asleep. Then came the revelations, and the people awoke to a realization of the fact that no government can long exist where official acts can be bought and sold like merchandise.

"It has not been long since it was a common idea that directors of corporations were privileged to do lawless things that as individuals they would not think of doing. The public conscience has awakened to the fact that a corporation consists merely of individuals exercising charter powers from a state. The corporation these individuals conduct is no better or worse than the individuals composing the corporation. The people are beginning to know that contempt for law is no less reprehensible when plotted over a directors' table than when shouted under a red flag at an anarchists' meeting, and they frequently stand related as cause and effect. Corporations have been too often used as masks to conceal the crimes of individuals. The era of conscience demands the same standard of morality for corporations as is required of the individuals that compose them.

"The man who says that the depression in the industrial world is caused by punishing crooks argues there can be no such thing as honest prosperity, and that the prosperity we had was that of the burglar and pickpocket. It would be more accurate to charge depression to the crooks rather than to their prosecution. The prosperity that rests on wrongdoing is not the right kind of prosperity. If the country had to choose between great prosperity coupled with crookedness and less prosperity and more honesty, it would undoubtedly take the latter.

"The only way to stop evil, either public or private, is to turn on the light and let the people know who the rascals

are. Publicity is the best remedy for civic wrongs, for through publicity the public conscience is aroused, and the remedy for malefactors of every kind, after all, is in the conscience of the people. The penitentiaries might be filled with wrongdoers, but if the people were indifferent evil would go on just the same. On the other hand, very few violators of law of high degree might wear stripes, yet if the people are aroused wrongdoing can be ended by the mighty power of the public conscience. With the national conscience clean the national life must be clean."

THE SUFFERERS FROM PANIC.

REVIEWING the late bank panic, the Dallas (Tex.) "Daily News" said:

"Now who has been and is still the chief sufferer from this prodigious financial brainstorm? The banker has undoubtedly undergone a deal of anxiety, lost some sleep and perhaps some business, but that is all. The depositor, who feared to lose his all, is, of all members of the community, the one who has lost the least in dollars and cents—perhaps nothing at all in the end. But the amount of worry, distress and positive mental agony that he brought upon himself by the fear of losing his money, or the inconvenience in not being able to get it and use it when wanted, would be hard to overestimate, or to name its equivalent in dollars and cents.

"The greater sufferer of all, both in mind and estate, is the man of business—the merchant, the manufacturer, the millman, the stockman—the man, in short, who makes the gigantic and complicated wheels of commerce and industry go. He is the man whose regular line of credit at the bank, upon which, and by mutual agreement, he had depended to carry on his business, has been cut down, or whose notes are called in or refused renewal, because so many depositors have withdrawn their money. In consequence of this his stock has to be cut down in proportion, his drummers called in, his clerical force reduced in number and perhaps in salaries. And, worse than all, he may become unable to carry those tillers of the soil who had depended on him for advances and thus curtail the production of wealth at its very source. If a millman, his plant is shut down or run on short time, his labor discharged or wages reduced, his machinery rusting, and the business of supplying his beehive of industry brought to a standstill, and similarly with other manufacturing establishments."

AMERICA UNPOPULAR IN EUROPE.

A. B. HEPBURN, former Comptroller of the Currency, and now president of the Chase National Bank, New York, returned home recently from a two months' sojourn in Europe. He gave out an interview to the newspapers, in which he said:

"The one thing that most strongly impresses itself upon the mind of a careful observer in Europe at the present time is the fact that the Continent of Europe does not like the United States. They think, or affect to, that their present financial and commercial difficulties are chargeable to us—their depression is a reflex of ours, accentuated by the $100,000,000 of gold which we took during December and January. The balance of trade in favor of the United States during November, December and January was over $300,000,000, and every dollar of gold we took was obtained by commodity bills, and yet they seem to think that Europe loaned it to us as a matter of favor.

"It is our growing importance as a naval and military power that most disturbs them. Neither does the Continent of Europe like Japan, and for similar reasons. Her recently achieved naval and military prestige and her English alliance have brought Japan to the front in the family of nations, an aggressive force that must be reckoned with in world politics. It follows that nothing would be contemplated with greater complacency by the Continental

powers than a war between the United States and Japan. A taxing of the strength and a wasting of the resources of these two powers, not involving themselves, would tend to restore their relative power and precedence in the council of nations. This explains the repeated rumors from Paris, Berlin and St. Petersburg of impending difficulties between the United States and Japan. The wish is father to the thought.

"It was never more apparent than now that the only European friend we have is England. England is the only European power that would not welcome a condition of affairs that might bring to us disaster or defeat. England's interests parallel ours and anything that would impair our prestige would be alike prejudicial to her."

BOND-SECURED CURRENCY WILL NOT GIVE RELIEF.

IN an interview published in the New York "Journal of Commerce," President Alexander S. Gilbert of the New York Clearing-House Association says:

"If we fail at this time to adopt a currency system that will work automatically and expand and contract in accordance with the demands of the country, it will be found that the issuance of clearing-house certificates will be the only thing that can be used to save the country when the next acute crisis comes.

"No bond-secured currency system will give the needed relief. I say this on my own responsibility as a business man and banker of long and intimate experience.

"Now a word in regard to the Fowler Bill," continued Mr. Gilbert. "I have given very thoughtful attention to the provisions of the measure. At first I felt that I must oppose it, but careful study of its various provisions has sufficed to remove my opposition to a very great extent. The bill has grown upon me and the more I investigate the more it continues to grow. It aims to remove so many objectionable features of our present currency system that I am very much interested in having it perfected.

"It seems to me that with very few and very slight changes it can be made practicable and workable."

CONTROL OF CORPORATIONS.

SPEAKING at Columbia University a short time ago, George W. Perkins of the firm of J. P. Morgan & Co. said:

"The corporations of the future must be those that are semi-public servants, serving the public, with ownership widespread among the public, and with labor so fairly and equitably treated that it will look upon its corporation as its friend and protector rather than as an ever-present enemy, above all believing in it so thoroughly that it will invest its savings in the corporation's securities and become working partners in the business.

"During the past few months, when the campaign against corporations was most intense, the people who, we are told, have so suffered because of the trusts and are so bitterly opposed to their existence, have been investing in these very securities to an unprecedented extent. Can there, then, be any question that these great institutions have become semi-public, and when we contemplate the alternative of exterminating or of regulating them, must we not realize that they are owned by a vast number of people representing our thriftiest class?

"There is scarcely a corporation manager of today who is alive to his responsibilities who would not welcome supervision could he but feel that it would come from the National Government, acting through an intelligent and fair-minded official; but to be faced with the requirement to report to and be supervised and regulated by forty or fifty governments, with varying ideas and laws, of course suggests difficulties that are almost insurmountable obstacles.

"This kind of expert, high-minded supervision would not be opposed by the business interests of the country. What they dread is unintelligent, inexperienced administration. To such rational supervision may we not look forward as a result of the sober second thought of the people and our legislators—of their calming down from the bitter denunciation of corporations which has been the prevailing outcry for some years?

"The spirit of co-operation is upon us. It must of necessity be the next great form of business development and progress."

GUARANTEEING BANK DEPOSITS.

SPEAKING recently at Columbus, Ohio, Hon. Myron T. Herrick, former Governor of Ohio, said:

"The guaranteeing of bank deposits would no more prevent a panic than fire insurance a conflagration. One of the striking revelations of the recent panic in New York was the fact that one man by buying control of one bank, using the stock thus acquired as collateral to a loan at another bank and with the proceeds of the loan securing control of the second bank, etc., gathered together under his single direction a string of banks whose resources he used to further his own unwise, if not improper, schemes. What would have prevented this man from extending his system indefinitely provided depositors, feeling secure by reason of the Government's guarantee, had not called him to account by the withdrawal of their deposits."

AN IDEAL BANKING SYSTEM.

IN "The Currency Problem and the Recent Financial Situation," Paul M. Warburg thus defines an ideal banking system:

"An ideal banking system is that which provides for the legitimate needs of a country at moderate rates with the maximum use of credit and the minimum use of cash, which checks illegitimate or dangerous expansion or speculation, and which avoids or minimizes as far as possible all violent convulsions."

BASIS OF SOUND BANKING.

EXCELLENT work in behalf of sound currency legislation is being done by E. J. Parker, president of the State Savings, Loan and Trust Company, Quincy, Ill. In a recent letter Mr. Parker says:

"The true basis of sound banking is commercial paper, used as it is in governmental banks abroad; such paper representing circulating or liquid capital. In addition to the gold in their vaults, it was the basis of bank circulation in New England under the Suffolk bank system, which bank notes were, at the time of their issue, at a premium in the West."

SPECULATION DEFENDED.

THESE are times when denunciations of Wall Street speculation are popular. Here is something on the other side, from a recent address of Henry Clews, the veteran Wall Street broker:

"Speculation in stocks, as conducted through Stock Exchange brokers, is no more gambling than speculation in real estate or ordinary merchandise. All trade is more or less speculative, because it involves risks. If it did not involve risks there would not be so many mercantile failures as there are every year, yet no one calls trade gambling."

DIGNITY OF MANUAL LABOR.

THE drift of population from the farm and workshop to the cities gives point to this advice from President Roosevelt, contained in an address to members of the National Educational Association who recently visited the White House:

"I trust that more and more our people will see to it that the schools train toward and not away from the farm and the workshop. We have spoken a great deal about the dignity of labor in this country, but we have not acted up to our spoken words, for in our education we have tended to proceed upon the assumption that the educated man was to be educated away from and not toward labor. The great nations of mediaeval times, who left such marvellous works of architecture and art behind them, were able to do so because they educated alike the brain and hand of the craftsman. We, too, in our turn must show that we understand the law which decrees that a people which loses physical address invariably deteriorates, so that our people shall understand that the good carpenter, the good blacksmith, the good mechanic, the good farmer, really do fill the most important positions in our land, and that it is an evil thing for them and for the nation to have their sons and daughters forsake the work which if well and efficiently performed means more than any other work for our people as a whole."

THE SUFFOLK SYSTEM OF REDEMPTION.

MESSRS FISK & ROBINSON in their "Monthly Bulletin of Investments" say:

In 1818 the Suffolk Bank of Boston was incorporated and soon became the greatest single factor in giving to New England a sounder currency than could be found in any other section of the United States. Through the simple device of each bank maintaining with the Suffolk a stipulated deposit, and in addition a sufficient amount of money to redeem its notes presented to that institution, it became the redemption agency and practically the bank-note clearing-house of the other banks. Any bank refusing to join the Suffolk system had its bills presented for payment at its own counter. The country banks very soon discovered that it was easier and cheaper to collect and pay their debts through Boston, while participation in the system assured a wider distribution of their currency.

It is instructive to examine certain features of the history of these banks between the years 1840 and 1860, the period of their highest development in stability and uniformity.

The average circulation during the period named was about $33,000,000. The largest sum, $40,000, ever appropriated for the cost of redemption was in 1858. The redemptions of that year aggregated $400,000,000, thus the cost was 10 cents per $1,000, and as the average outstanding circulation that year was about $40,000,000, it was redeemed ten times during the twelve months. This record of cost and frequency cannot be even approached by the redemption of national bank-notes under the present law.

The loss to noteholders during the twenty years aggregated about $880,000, or practically an average of $44,000 per annum. A tax of 1/8 of 1 per cent. per annum upon circulation would have protected the noteholders of the 47 banks which failed during the period. Of these failures, 16 occurred during the panic of 1857. The circulation of these 16 banks was $1,567,230. A fund maintained at 5 per cent. of all outstanding circulation would have been $2,747,000, an amount nearly twice that required to guard holders of their notes from loss.

Under the terms of their respective charters these banks had the right to issue purely bank credit notes varying from 20 per cent. to 200 per cent. of their paid-up capital. In spite of the fact that there was no real check on over-issue, their average issues in 1840 were only 23 per cent., in 1850, 40 per cent., and in 1860, 36 per cent. of the amount allowed. This was due to the rapidity of redemption; indeed, so rapidly was this accomplished that certain banks complained of lessened profits by reason of their inability to maintain in circulation a larger amount of currency, and actually attempted to secure relief through legislation prohibiting redemption.

Thus we have an object lesson of the development in the New England states of a currency and banking system so well adapted to their business life that it was with the greatest regret, publicly manifested, that the people of that section saw it supplanted by the "safe" but wholly inferior system provided by the National Bank Act. The country has been subjected to the disadvantages of that artificial system for more than forty years. In addition to its many other evils it has imposed on the business activities of the United States a higher average and more widely fluctuating interest rate than has been experienced by any other civilized nation, while the Suffolk system gave to the participating New England states the benefits of an interest rate closely approximating that of France, and of a currency which circulated at par both at home and abroad. If in the days of commercial and financial weakness the people of New England could develop a system which admirably and safely met their business needs, why should an injudicious extension of our bond-secured currency be deemed sufficient for our present requirements—particularly when the proposition is condemned by the American Bankers' Association, by mercantile associations of high standing and by our own experience, as well as that of other nations? What justice is there in the contention that it is impracticable at the present time to give to the people of the United States a banking and currency system at least as good as that which operated satisfactorily, both as to safety and efficiency, in six New England states so many years ago? With the exception of some righteous measures eliminating certain fiat features from our currency, the financial legislation of this great nation has stood still for more than forty years. Neither this condition nor any backward legislation should be tolerated.

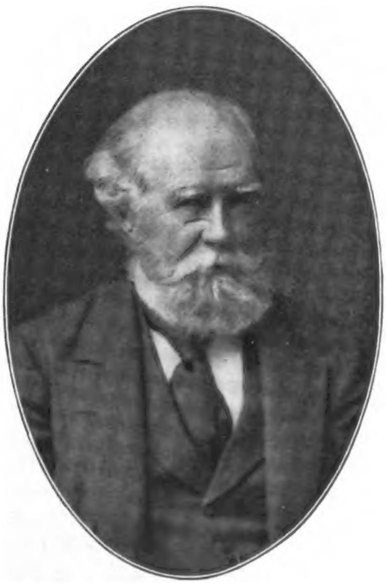
LORD AVEBURY.

A Distinguished London Banker and Scientist.

ONE of England's grandest men, and one who has done more than any other to revolutionize her banking system, is Lord Avebury, better known and remembered as Sir John Lubbock, the founder of Bank Holidays and inaugurator of the early-closing movements.

Lord Avebury, the eldest son of Sir John William Lubbock, third baronet of that name, and Harriet, daughter of Lieut.-Col. Hotham, of York, was born in London on April 30, 1834. He received his education first at home and then at Eton, and it is worth noting that he early developed the faculty and love of searching among the secrets of natural history. He passed all his examinations with rapidity, and was in the upper division at Eton at the age of 14, but the necessity of starting on his banking career at an early age prevented him from continuing his studies at one of the universities. He entered the banking firm of Messrs. Lubbock, Forster & Co., of which his father was a partner and subsequent head, and the banking world owes many of its important reforms to his connection with the firm, whose foundation dates back to about 1750. In 1860 the firm amalgamated with Messrs. Robarts & Co. Lord Avebury inherited from his father not only the gifts which inspired these important reforms, but also his engrossing interest in scientific matters, for Sir John William Lubbock was for many years Treasurer and Vice-President of the Royal Society, and was the author of many astronomical and mathematical treatises which were of great practical utility and are still regarded as authorities.

Lord Avebury has rendered important and far-reaching service to both the banking and general commercial communities by introducing the system known as "Country Clearing," whereby at the close of the day's work country checks received by the country and London banks, instead of being sent separately to the several banks on which they are drawn, are transmitted to London and pass through the Central Clearing House. As General Secretary for the London Bankers, a post he held for 25 years, he also reformed the method of general clearing, and the value of his changes may be estimated by the fact that drafts representing the vast sum of over £100,000,000 often



THE RT. HON. LORD AVEBURY.

pass through this department during the day. Sir John Lubbock—as he was then—also inaugurated the system of examinations for bankers' clerks, which are carried on by the City of London College, and his "History of Money" has become a standard work.

In his varied career Lord Avebury has also had many academic honors conferred upon him, for he was Vice-Chancellor of the University of London, he is a D.C.L. of Oxford, LL.D. of Cambridge, Edinburgh and Dublin, and received the degree of M.D. of Wurzburg.

Perhaps the most popular of all his

many contributions to literature is "The Pleasures of Life," which has had the phenomenal sale of over 200,000 copies, besides some thirty foreign editions, of which seven have appeared in France, while his "Use of Life," of which over 100,000 copies have been sold, has been translated into every important language. He has also given to the world some of its finest nature books, including "Ants, Bees and Wasps," and "British Wild Flowers."

Lord Avebury is a member of the Athenaeum Club, and resides at High Elms, near Farnborough, Kent, and 6, St. James' Square, while the offices of Messrs. Robarts, Lubbock & Co. are 15, Lombard street, E. C.

NEW WAY TO INSURE BANK DEPOSITS.

PROF. EARL DEAN HOWARD of the Department of Economics of Northwestern University, in addressing a class in finance under the auspices of the American Institute of Banking on the subject of new currency legislation, proposed that the directors of each bank insure the depositors to the extent of their private fortunes.

"The proposal to guarantee the deposits in national banks urged by Messrs. Bryan and Revell," he said, "is sure to become dangerously popular among the great majority of people who are unable to reason out the ultimate consequences of any action. Through costly experience the people have learned that banking is a public function, and must be made to serve the public welfare. There are so many fine things to be said in favor of the guarantee plan that it is not surprising if many overlook or minimize the fatal defect, namely, the inevitable stimulus which it would give to speculative banking.

"The gambling banker who plays for great stakes with a correspondingly great risk would, by offering greater inducements to depositors, gain an enormous advantage over his conservative competitor, who would find that his reputation for conservatism had lost its value as a business getter, security being no longer a factor in drawing deposits. No plan to insure bank deposits yet proposed has met this objection.

"Why not adopt the plan of deposit insurance by the directors of each bank for itself? The object to be gained would not be any extensive indemnification of depositors by directors of failed banks, but the prevention of failures by forcing directors to direct and making them responsible for negligence, ignorance of banking principles, or violations of the law.

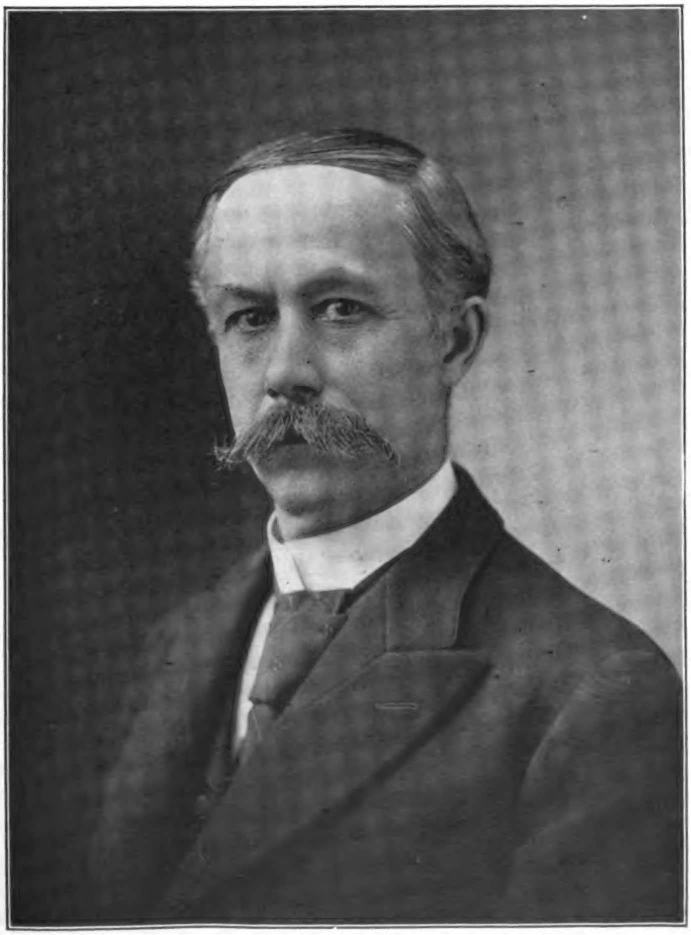
"The proposal is as follows: Let the National Bank Act provide that in the case of any bank failure where any section of the act has been violated or where any otherwise illegal or *ultra vires* transactions have been made by the bank, or where the banks at the time of failure have outstanding loans to directors or to any enterprise in which said directors are directors or officers, on which any loss is suffered by the bank, the directors shall be personally liable to the extent of their personal fortunes for all losses to depositors.

"To further secure the depositors against loss by reason of delay in liquidating the assets of the failed bank, a fund should be provided by a small tax on the banks out of which depositors should be paid in full immediately. The fund would be replenished by the liquidation of assets, by collections from directors on their personal liability, and from the shareholders on their double liability.

"No director would incur the slightest liability so long as the shrinkage of assets was no greater than double the capital plus the surplus; directors might hesitate to serve on the boards of undercapitalized banks, but this fact might force an increase of capital on such banks and hence greater protection."

JOHN COFER SHIRLEY.

JOHN COFER SHIRLEY was born in Douglas county, Illinois, July 23, 1858. He was educated in the public schools and in the High School at Arcola. At the age of seventeen he taught a country school in Coles county and soon afterwards moved to Texas, where he taught for several years, mostly as principal, in the schools at Valley View, Cooke county.



JOHN COFER SHIRLEY.

In the year 1881 he entered the Peabody Normal College at Nashville, Tenn., from which he was graduated in 1883 with the degree of Licentiate of Instruction, besides winning high honors and two Peabody silver medals for "distinguished excellence." The following summer he was engaged in lecturing before teachers' institutes. He then taught for three years as principal in the city schools of Nashville, and for two years was editor of the "Southern Normalist," the college magazine.

In 1887 he went to Chicago, where he entered the office of Albert Durham,

a broker, and soon afterwards the Metropolitan National Bank. Here he was successively clearing-house clerk, statement clerk and bookkeeper. When the Metropolitan National Bank was consolidated with the First National Bank he became a bookkeeper in the latter institution till the present year, when he was given charge of the letter files. He has been a frequent contributor to "The Review," published by the employees of the bank and for more than a year associate editor.

Mr. Shirley was married in 1885 to Miss Margaret I. Allen of Nashville, Tenn. Mrs. Shirley died in 1898 and is buried in that city. Their children are Mrs. Helen Davy and Allen Lee Shirley, respectively twenty-two and sixteen years of age.

Mr. Shirley has always been a ready writer, first on educational topics, and later giving his attention to Biblical criticism and poetry. His critical studies include among others a new theory of the synoptic gospels and the life of Jesus, a new theory of the life and epistles of Paul and a critical analysis of the Gospel of John, Revelation and Acts.

His first poem to attract general attention was "Lines on the World's Columbian Exposition" in 1893, and soon afterwards his "Gran'ther Jones" was widely copied. Most of his minor poems have appeared in the "Peabody Record" and in the First National Bank "Review."

Mr. Shirley has also written much on financial subjects. He has been a member of the Chicago Chapter, American Institute of Banking, since its organization. His home is at Hubbard Woods, a north shore suburb of Chicago, where he has resided for many years.

Equally well known as a teacher, writer and man of affairs, he has a wide circle of acquaintances in both his native state and throughout the South. Modest and retiring in disposition, yet with an alert and aggressive manner and of pleasant address, no man has fewer enemies or more steadfast friends.

SONNET.

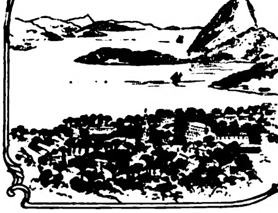
(Copyright 1907 by John Cofer Shirley.)

When cradled in the arms of kindly sleep
  My wayworn spirit turns to seek repose,
And Lethean balms my weary eyelids steep
  Like twilight dews upon the summer rose;
And when all silent in the halls of night
  The twinkling lamps by unseen hands are swung,
And in the purple dome, a mirror white,
  The placid moon above my couch is hung;
'Tis then my eager thoughts to thee return,
  Like fluttering doves unto their sheltered nest
And still, undimmed, the fires of passion burn
  Upon the constant altar of my breast—
Again, in dreams, thy face returns to me,
And all my thoughts are but a dream of thee.

CREDIT CURRENCY.

THE "Pittsburg Banker" says: "Elmer H. Youngman, editor ot THE BANKERS MAGAZINE, has written a little volume entitled 'Credit Currency,' which is a timely contribution to current thought on a subject that is now paramount in financial circles in the United States. The principles underlying credit currency are discussed in a manner enlightening to both layman and professional banker."

On the same subject the Cleveland "Plain Dealer" says: "Mr. Youngman makes a strong presentation of the points supporting the issue of bank notes secured by legitimate commercial paper, with an adequate reserve of gold, a safety fund and proper methods of redemption to assure safety and prevent inflation. In view of the recent financial conditions the book is peculiarly timely."



LATIN AMERICA

PAN-AMERICAN UNION.

AT a meeting held in Washington on March 17 a committee was appointed to perfect, so far as possible, the suggestions of the Pan-American Congress held in Rio de Janeiro last year. The committee is known as the Pan-American Committee of the United States. W. I. Buchanan, of Buffalo, was made chairman; Andrew Carnegie, vice-chairman; John Barrett, Director of the Bureau of American Republics, secretary. An executive committee of five was authorized, of which Prof. L. S. Rowe, of the University of Pennsylvania, is to be chairman. Subcommittees to deal with the various questions are to be appointed by the chairman.

GUATEMALA RAILROAD.

THE new Guatemala railroad, 196 miles in length, connects Guatemala City, the capital of the Republic, with Puerto Barrios, on the Atlantic coast. At the capital it connects with the Central Railroad, which itself connects with the ports of San Jose and Champerico, on the Pacific coast of Guatemala. The distance from the capital to San Jose by the Central is seventy-five miles. Thus a third transcontinental line is now completed across Central America, connecting by a railroad of 271 miles in length the waters of the Atlantic and the Pacific.

NEW MEXICAN RAILROAD.

CONSUL THOMAS W. VOETTER, of Saltillo, writes that it is reported that construction is to begin shortly upon the Zacatecas and Orient Railroad, concerning which he says:

This road is projected to run from Camacho station of the Mexican Central eastwardly via Mazapil to Gomez Farias station on the National of Mexico, about 100 miles. It is to be made standard gage, so that equipment from connecting lines can be used. Ultimately it is planned to extend the road to Linares on the Monterey-Tampico line of the Mexican Central. There is no Federal subsidy. The country through which the line will pass has considerable mineral resources, now undeveloped. There are also possibilities of developing agricultural resources, but extensive irrigation systems will be required before any tonnage can be secured from this source.

MEXICAN EXPOSITION IN LONDON.

GREAT interest is manifested in the Mexican National Exhibition to be held at the Crystal Palace in London, which will open on May 1 next. For this exhibition a large amount of material has been gathered from all parts of Mexico, including products of the soil, mines, forests, and fisheries, as well as those of Mexican native arts and handicrafts, and more modern manufactures. A typical Mexican village in which the home industries of pottery molding, drawnwork, etc., are shown, will be a feature of the exhibits.

GENERAL NOTES.

—The financial depression prevailing among henequen planters, of Yucatan, has been substantially relieved by the Banco Nacional de Mexico, which recently authorized its branch at Campeche to advance the sum of $2,000,000 Mexican to the henequen growers of that section. The bank will purchase fiber to the above amount, and, as the same is presented, will pay the growers ninety per cent. of the market value of the product, as a loan for a term of six months, the notes of the owners bearing ten per cent. interest.

—The activity in the Federal capital of Mexico (Mexico City) as shown by official statistics for the first six months of the present fiscal year, is said to have been rarely surpassed. There were issued during the six months 376 permits for new buildings, averaging more than two per day. In addition there were granted dur-

ing the same period permits for repairing and enlarging old buildings to the number of 1,268.

—Special Agent Charles M. Pepper, writing from La Paz, on the railroad situation in Bolivia, says that the money has been provided to carry on the work already undertaken, and that a market for considerable railway material may be found in that country, where Americans engaged in the railway business are held in high regard.

—An American bank is said to be needed in Spain. In a letter published in the "Consular Reports" Theophile Binard of Madrid explains the benefits that such an institution would be to American trade. He cites the example of the Banco Espanol de Rio de la Plata as showing what could be done.

—The International Banking Corporation of 60 Wall street, New York, invites correspondence with those now dealing or expecting to deal with Mexico and Panama.

BANKERS' ASSOCIATIONS.

American Bankers' Association—Meeting of Executive Council.

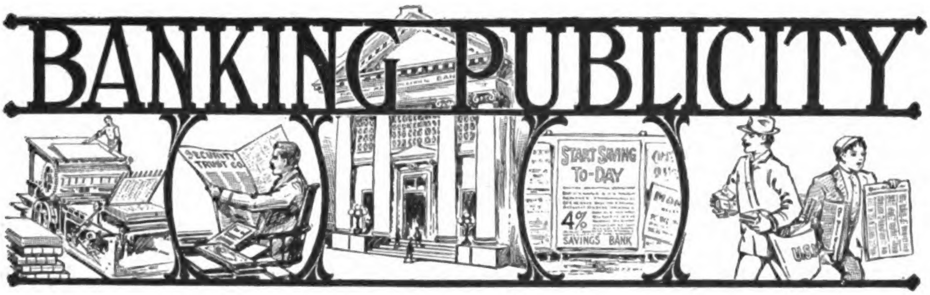
LAKEWOOD, New Jersey, has been selected as the place for holding the spring meeting of the Executive Council of the American Bankers' Association. Headquarters for all those attending will be the Laurel-in-the-Pines Hotel and the days decided upon are May 4, 5 and 6.

BANKERS' HEADQUARTERS.

The American Bankers' Association has fitted up its offices at 11 Pine street, New York City for the accommodation and comfort of its members, and they are urged to call and make use of them when in New York.

STATE BANKERS' CONVENTIONS IN 1908.

Date.	State or Name.	Place.	Secretary.	Address.
May 15-16	Alabama	Montgomery (Exchange Hotel)	McLane Tilton	Pell City
May 12-13	Arkansas	Hot Springs	C. T. Walker	Little Rock
May 14-15-16	California	Pasadena	R. M. Welch	San Francisco
	Colorado	Colorado Springs	A. A. Reed	Boulder
	Georgia	Brunswick	L. P. Hillyer	Macon
May 13-14	Kansas	Kansas City	W. W. Bowman	Topeka
June 20	Maine	Waterville	H. S. Hall	Waterville
	Maryland		Charles Hann	Baltimore
	Massachusetts	North Adams	G. W. Hyde	Boston
	Michigan	Marquette		Detroit
July 23-24	Minnesota	Duluth	E. C. Brown	Minneapolis
May 13-14	Mississippi	Brookhaven	B. W. Griffith	Vicksburg
May 20-21	Missouri	Joplin	W. F. Keyser	Sedalia
July 27-28	Montana	Billings	Frank Bogart	Helena
	New Jersey	Atlantic City	W. J. Field	Jersey City
July 9-10	New York	Hotel Frontenac	E. O. Eldredge	New York
June 24-25-26	North Carolina	Morehead City (Atlantic Hotel)	W. A. Hunt	Henderson
July 16-17	North Dakota	Bismarck	W. C. Macfadden	Fargo
May 27-28	Oklahoma	Sulphur Springs	C. L. Engle	El Reno
Apr. 22-23-24	South Carolina	Columbia (Colonia Hotel)	Giles L. Wilson	Spartanburg
July 8-9	South Dakota	Deadwood	J. E. Platt	Clark
June 18-19-20	Virginia	Hot Springs	N. P. Gatling	Lynchburg
June 18-19-20	Washington	North Yakima	P. C. Kauffman	Tacoma
June 11-12	West Virginia	Charleston	W. B. Irvine	Wheeling
July 23-24-25	American Institute of Banking	Providence	G. E. Allen	New York



THIS department is for the benefit of those interested in promoting the business of banks, trust companies and investment houses by judicious advertising. Correspondence is desired. The purpose is to make this department a clearing house for the best ideas in financial publicity. Send inquiries, suggestions, information concerning results of various methods and campaigns, and samples of advertising matter for comment and criticism, to T. D. MacGregor, Manager, Publicity Department, Bankers Publishing Co., 90 William Street, New York.

FIRST STEPS IN ADVERTISING.

By George French, Editor of "Profitable Advertising."

THE advertising that should be done for a bank differs from advertising necessary for other promotive purposes. To be effective, advertising for each line of business must differ from advertising for every other line of business. Advertising for each concern should differ from advertising for every other concern in the same line of business. There is not a grocery store which can hope to receive the maximum of benefit if it imitates another's advertising, nor a bank—much less a bank. But the difference is in detail, not in principle. The principles which control advertising are the same for all lines of business, and for all individuals composing all lines. The differences consist in the application of the principles, and do not involve their rejection, or their modification, in any case.

The hope and expectation of the advertising bank is to favorably attract attention—the attention of people who have money to save, or who can use a bank to their advantage.

Observe, I say the bank wishes to get the friendly attention of people with money to save, or money to handle. Who are those people? What are those people? What will attract them? How is the bank going to reach them?

It is necessary to know a man if it is expected to do large business with him, especially if that business involves his trusting us. When one asks a man for money, there's got to be a reason given, or there's got to be confidence inspired. A man cannot go to another man and get money, unless he can give a good reason for his demand. And if he can give a good reason, that, of itself, is not going to get the money. You can bury a man with the best possible reasons, and yet not get one cent of his money.

Men In The Bulk.

It is necessary to know the man, and approach him along the lines of least resistance. But it is impossible to know men as individuals. We must be content with knowing them as a class—as men in bulk, rather than as men as separate personalities.

The questions for bank advertisers to take up, at the outset, are: How do men's minds act when a proposition is made to them? How can we attract men's attention, interest them, convince them?

The answers to these questions would easily expand into a book, if given with adequate detail.

First, the advertiser must realize that the mind acts automatically, without conscious prompting, along certain lines. Its invariable tendency is to act in some way. It cannot remain neutral. It favors or opposes everything presented, automatically, and at once, before reason or judgment are called into play. Absolutely, the first glimpse of an advertisement creates an impression, favorable, or unfavorable, before the reader takes in its significance, or knows more about it than the most obvious item of attraction—the title, the catch line,

or the cut; or, it may well be, the form and general appearance.

This is called the "motor" principle. It is well to consider it carefully, and to remember that it is necessary to so plan our advertisement that it will favorably affect this automatic mind-judgment. To do so involves many considerations, some of which have to do with the subtlest considerations of psychology.

Psychology in Advertising.

I had thought to avoid the use of this term. It has terrors for advertisers; yet the science it names is the very best friend and ally the advertiser has, or can have. It certainly does cover a multitude of sins, and is ignorantly employed to befuddle. That which it means to the advertiser is comparatively simple and easily understood.

The approaches to men's minds, so far as the advertiser is concerned, are the eyes. Not often does he attempt to reach the mind by other avenues, such as the ear, or the senses of smell and touch. The salesman may employ these other avenues, but the advertiser must signal to the mind through the eye. And the eye is an automaton, largely. It acts in certain ways, automatically. It "picks up" words, phrases, pictures, artistic forms, etc., and welcomes or rejects according as its powers are taxed.

The eye should be studied by the advertiser. He will learn that it favors certain forms, and rejects others; that it willingly takes up one word, or two or three words if not too long, and passes them to the mind, without conscious effort on the part of the reader; that it neglects long sentences, until it is commanded to dwell upon them long enough to pass them on to the mind in sections, as it were. But advertisers need to enlist the advocacy of the eye, quite irrespective of any effort of the will to control it.

It is obviously not possible to enter into details here. It would be of interest to follow this lead to a statement of the exact automatic action and capacity of the eye in reading, or rather in selecting from the printed page that which it spontaneously recommends the mind to note. It is interesting to know this, it does not require much study, and it means dollars to the advertiser. It does not only involve typography, but the illustrations, the form, the balance, the proportions, the harmony, the color, of the advertisement. It means that the advertiser must do a little studying—that he must read a few books, such as Huey's "Psychology and Pedagogy of Reading," Dow's "Composition," Scott's "The Theory of Advertising," and some others.

Getting The Reader's Attention.

These considerations deal with the element of attraction, the getting of the attention of the reader. When the eye has been arrested, for one fraction of a second, in its journey over the printed page, and induced to signal the mind for more attention, the advertiser must make his suggestion, which in turn opens the way to a consideration of his assertion. It is as though we spied a neighbor passing our house, to whom we wished to sell an auto which we believed the neighbor needed.

"Hi, there!" we shout—(attraction).

"I've something good to tell you"—(suggestion).

"Heard you needed an auto," etc., etc.,—(assertion).

That is about the way of an advertisement that is built according to the teachings of psychology, except that it is a far more difficult matter to attract attention by means of a printed advertisement, and much more skill and consideration must be exercised.

Important Details.

In this connection, I must not fill more space than to say that each characteristic o. the advertisement mentioned offers opportunity for an article, such, for example, as its form, its size, its proportions, its typography, its color (that is, the proportions of black and white); its head (or chief) line, its literary composition, its orderly unfolding of motive, etc.

All of these things relate to the advertisement's chance to get a reading, but not to the effect produced by the reading. That, as Kipling said, is another story. It comes in for consideration after these other points have been dealt with, in the actual construction of the advertisement. The general policy of the campaign must of course be decided upon first. The body of the pretty girl is created before the charming costume which attracts our attention to her. I am not treating of the advertising campaign, nor of the goods to be sold, but of the appearance of the advertisement—its power to draw to itself the attention of readers, and enable the story about the goods to get considered.

If I could talk with every banker who contemplates advertising to increase the business of his bank, I am sure I could convince him of the wisdom of heeding the suggestions I have but feebly indicated here.

THE FIRST NATIONAL BANK

Emblem of First National Bank, Napa, Cal.

ADVERTISING CRITICISM.

Remarks on Financial Advertising Submitted for Comment.

A STUDENT of bank advertising has submitted for criticism the following samples of his work.

SURPLUS

Five Hundred and Ten Thousand Dollars

EARNED IN

TWENTY YEARS

This Means Close Attention to Business, Able, Conservative Management, The Employment of Every Modern Banking Facility; Strict Integrity and Financial Responsibility.

THE FIRST NATIONAL BANK.

Town. State.

There are several weak points in this advertisement. In the first place, possible customers of a bank are likely to be more interested in how the advertising institution can help them than they are in how well the bank itself and its directors have prospered. Surplus is a good thing to advertise, however, if the point is brought out strongly that it adds to the security of the institution. That is not done directly in this advertisement. It would be much stronger to print the $510,000 in figures rather than in words, as amounts are so much more commonly given that way that the magnitude of the sum is much more quickly and strongly impressed upon the mind of the reader. The expressions used in the latter part of the advertisement are rather trite and general. It would be better to take one or two of these points and develop them by concrete instances, e. g., instead of saying "The employment of every modern banking facility," tell about how the use of adding machines adds to the efficiency of the bank in caring for its customers' interests. Instead of "financial responsibility," tell about the double liability of every stockholder of a national bank.

THE APPOINTMENT OF A BANK

AS

EXECUTOR OR ADMINISTRATOR

Is a wise move. It brings to the administration of an estate the services of men trained in this work.

It takes the burden and worry from shoulders unaccustomed to the task.

It insures fidelity and accurate accounting.

Our Charter, Granted in 1880,

Allows Us to Act in These Capacities.

FIDELITY TRUST CO.

This ad. has a poor head. A head should never be as long as that unless it is in the form of a complete sentence, making some definite statement or claim. A better head would be "WHY A CORPORATION MAKES A BETTER EXECUTOR THAN AN INDIVIDUAL." Then go ahead and tell *why,* and *how,* and bring the matter right home to the reader by showing him that the matter affects him personally. If you can mention instances (not necessarily with names) where money has been saved by your company's handling an estate, it is a splendid talking point.

There is a mixed metaphor in the sentence reading: "It takes the burden and worry from shoulders unaccustomed to the task." Worry shows itself in the face, not in the shoulders. There is a lack of clearness in the sentence: "Our charter allows us to act in these capacities." What capacities? Presumedly as executor and administrator as mentioned in the head, but it would add to the desirable clearness and definiteness to repeat those words here. Everyone who writes advertisements should study rhetoric and one of the first lessons to be learned is that of clearness.

INTEGRITY CONSERVATISM

MODERN METHODS

FIDELITY STABILITY

The Five Foundation Principles in the Conduct of Our Relations With Our Depositors.

BLANK NATIONAL BANK.

These foundation principles are good but they are not all-inclusive. Shouldn't

VAN NORDEN TRUST COMPANY

Reserve February 15, 38%
Reserve " 17, 38%
Reserve " 18, 40%
Reserve " 19, 39%
Reserve " 20, 41%

Reserve required by law, 15%

FIFTH AVE. & 60th ST., N. Y.

'Nuff Said.

ability, experience and good judgment come in there somewhere? Honest, conservative, faithful and stable business men fail sometimes because they lack ability, experience and good judgment. "The five foundation principles in the conduct of our relations with our depositors" is ponderous. Relations "exist" anyway. You can't "conduct" them. Why not say: "These are some of the things that ought to give you confidence when you do your banking business with us," or something like that.

RULE I.
FOR BANK DEPOSITORS
"Deposit With the Bank That Shows Progress."

In 1880 our capital was $100,000.
In 1907 it is $500,000.
In 1880 our surplus was $10,000.
In 1907 it is $100,000.
In 1880 our deposits were $300,000.
In 1907 they are $3,000,000.
WE WOULD LIKE YOUR BUSINESS.
COMMERCIAL TRUST CO.

It is a splendid idea to show how well your institution has grown, but as every healthy bank or trust company shows progress, would it not be better to qualify your rule by saying, "Deposit with the bank that shows the most progress," if your institution answers that description. It is not advisable for a trust company to call itself a bank in its advertising. There is no value in that sentence "We would like your business." Of course you would, but it is more tactful and better advertising to tell your reader "We want to help you push your business," or "It will be to our mutual advantage if you become one of our customers and learn by actual experience just how we can help you."

ABSOLUTE
SAFETY
IN THE
SAFE DEPOSIT VAULTS
OF
THE UNITED TRUST CO.
OF
NEW YORK.

This advertisement is strong in its simplicity. It tells its story at a glance. It is an ideal ad. for small space.

Bond Advertising.

Chicago, Ill., March 18, 1908.
Editor Publicity Department:

I have followed with considerable interest your series of talks regarding bank advertising in The Bankers Magazine and I must say that I think that in most cases you have hit the nail squarely on the head.

I should like to know what you think of the enclosed circular of The Union Trust Co., which I recently got out for them as their advertising manager. I refer, of course, to its character, good, bad, or indifferent, as an advertising proposition. The idea is to get out these circulars in a series of which this is the first. I will anticipate reading your frank criticism.

Yours very truly,
C. B. HAZELWOOD.

This circular is not radically different from other bond circulars in general style, but is particularly good of its class. In considering the matter from an advertising standpoint, it makes all the difference in the world to whom the circular goes. If it is to be read largely by persons already more or less familiar with investments and financial terminology, this circular giving the facts about each security offered in the customary formal manner ought to fill the bill all right as it gives complete information in each case and the circular is well printed. The company's emblem and confidence inspiring facts about the Union Trust Company are also well brought out. Instead of making "Union Trust Company Bond Circular" the main line on the cover, why not make that title a secondary feature and use for the principal display a line something like this: EXCELLENT BOND INVESTMENTS OFFERED BY THE UNION TRUST CO.?

To advertise its investments to persons who have little technical financial knowledge the wisest plan for this or any other company, would be to get out a booklet like "A Financial Courtship," issued by a prominent Boston house, explaining all about bonds in simple language, or something like the following extract from a booklet of the Home Savings Bank of Brooklyn:

Now as to bonds—what are they? To most people they are Greek. Let us dissect one.

The city of New York is to build a high school. It will need $100,000 to complete the building.

This amount may be raised in either of two ways. First, the whole amount may be placed in one year's tax levy. This would be the easiest and quickest method. But to pay for all public improvements in this manner would bring down on the heads of those in office, the unending wrath of the tax payers.

In due time the Home Savings Bank will buy these bonds and receive for its money, fifty nicely engraved notes, promises to pay—bonds, each of which calls for the payment of $2,000 with interest at four per cent. One of these will be due each year for fifty years, thus spreading the debt lightly over this long time. The burden will not be felt and all using that building will share in its payment.

The attorney will likewise see to it that all the laws governing such cases are complied with and that they are in every respect what they claim to be.

Now the faith, the credit and the taxing power of the city of New York are behind these bonds and they are good. Come what

may, they will be paid. They are as good as gold.

Another advertiser appealing to small investors says:

The bonds we offer have been carefully scrutinized and we recommend them for conservative and safe investment.

If you should need money in the future for any purpose, the bond can be readily sold, in all likelihood at a profit, for good bonds increase in value as the years go by.

Should you need money temporarily, you can readily borrow on the bond.

A bond combines, above all other forms of investment, the virtues of safety, convenience and good interest.

A mortgage on real estate pays slightly better interest, but it is not as convenient to sell or to borrow upon, nor is it any safer. (A mortgage is a lien upon property only; a bond is a lien both upon the property and upon the income of the corporation issuing it.)

Some Western Advertising.

Little Rock, Ark., March 20, 1908.

Editor Publicity Department:

We are sending you a few copies of advertisements that we are running in the local paper on the front page. We would like to have your opinion of this style of ad.

Yours truly,

CHAS. McKEE, Vice-President,
State National Bank.

The copy of the ads. is as follows:

March 14th, 1908.

Mr. John Doe,
CITY

My Dear Sir:—

I am a merchant and do an annual business of $300,000, and I find the State National Bank both able and willing to take care of all my business wants. The officers and directors are men of long and successful experience in business affairs, and they know what to do with a proposition when it is put up to them. The large capital, $500,000, fully paid up, enables them to undertake many things for their customers that banks with a smaller capital cannot do.

By all means place your account with the State National Bank. You will be treated right and it will do you good.

Yours very truly,
RICHARD ROE.

March 18th, 1908.

Mr. John Doe,
CITY

My Dear Sir:—

Here are some of your "advantages" in doing business with us:

1st—Paid-in capital of $500,000, the largest in the state.
2d—Government supervision examination and sworn published statement.
3d—The most courteous treatment by officers and employes.
4th—Commercial and Savings Departments.

Now, Mr. Doe, we will have your check book ready for you this afternoon.

Yours very truly,
STATE NATIONAL BANK,
By CHAS. McKEE, Vice-President.

This idea is all right to use for a while as a change from regular ad. copy. There are probably quite a few bankers in the "effete East" who would not call this dignified advertising, but it is interesting, personal and undoubtedly true, so we see no reason why it is not all right. If it makes people read and act favorably its purpose has been accomplished and it is good advertising.

BANK AD MEN.

Pittsburgh Financial Advertisers Have an Organization.

THE Bankers' Ad Association of Pittsburgh was organized in the early part of 1906. On January 25 of that year a constitution was adopted and twenty charter members enrolled representing as many banks and trust companies of the Pittsburgh Clearing-House District.

As outlined in the Associations' constitution, the objects of the organization are:

(1) The study of bank and trust company advertising, with a view to furthering and protecting the interests of the banking institutions of the Pittsburgh district.

(2) Mutual helpfulness through the interchange of ideas and the meeting together of men interested in similar lines of work.

(3) Concerted effort to educate the public in regard to practical banking matters.

The Association is active and growing, being in a more prosperous condition now than ever before. Many new members, representing important banks, have been enrolled during the past few weeks.

A board of managers for this year has been elected as follows: Alexander Dunbar, secretary and treasurer, Guarantee Title & Trust Company; Edwin B. Wilson, advertising manager, Real Estate Trust Company; H. S. Hershberger, vice-president, West End Savings & Trust Company; George K. Reed, advertising manager, Colonial Trust Company; J. F. W. Eversman, cashier, German National Bank; L. E. Husemen, cashier, Diamond Savings Bank; Paul C. Dunlevy, treasurer, East End Savings & Trust Company; Charles E. Scheutz, cashier, Western Deposit Savings Bank; A. D. Sallee, advertising manager, Mellon National Bank.

The Board of Managers organized by electing the following officers: A. D. Sallee, president; G. K. Reed, first vice-president; H. S. Hershberger, second vice-president; E. B. Wilson, secretary and treasurer.

EDUCATING THE PUBLIC.

The Importance of Making Your Advertisements Tell Something.

SAVINGS banks and other institutions soliciting small accounts need to keep up a constant campaign of education to get new depositors. The lessons in the course ought to be simple ones in the main, because many persons not capable of understanding too technical financial language can nevertheless see the advantages of saving money and can be influenced by advertising that is interesting and easy to comprehend.

How one country bank does this is illustrated by the following matter from a leaflet headed "County Banks and the People" issued by the First National Bank of West Elizabeth, Pa.:

The People's Bank.

Every man, woman and child living in the vicinity of a country bank, should be interested in that bank and its prosperity. They may not realize it, but the country bank performs important work in the community in which it is established, affecting all the inhabitants thereof.

Under government or state supervision it becomes a safe place for the deposit of your money. Through its connection with the banks in the large reserve cities, it facilitates the buying and selling of goods at the minimum of expense. It promotes thrift among the people by paying interest on their savings. Through its officers it is able to give good advice about the investment of money and to shield its customers from the lure of the get-rich-quick schemes. The country bank is really the people's bank and it can become more a servant of the people by the people making use of its facilities.

One dollar will make you a welcome depositor in this bank and that dollar may be the start of your success in life. It will be as carefully cared for as larger sums.

Small borrowers, especially if customers, are welcome at this bank. Some questions the banker asks himself and the borrowers are: "Is the security good?" "Will the note be paid when due, or if not paid in full, will it be reduced?" (Because debts never grow smaller of themselves.) "Is the money really needed for some wise purpose?" If these questions are satisfactorily answered you can borrow $20 or less, or $20 or more, depending upon circumstances.

For our customers, we transmit money to any part of the United States free of charge. From now on we will do this for others, when the amount is $50.00 or less.

This bank is your bank and its services your services for the asking.

This is good stuff. There is little in it that is not intelligible to all possible depositors. The expression "large reserve cities" may not convey a very definite idea to most people. It should have been explained.

It is a good idea to have advertising matter on cards or slips suitable to enclose with correspondence or passbooks or to be taken by visitors at the bank. It is an inexpensive form of advertising and it pays. The Merchants & Clerks Savings Bank of Toledo, O., prints a little card as

The manner in which the capital of a bank is invested is of great importance to depositors.

The working capital of the MELLON NATIONAL BANK of Pittsburgh—more than Six Million Dollars—is invested in choice commercial paper, and in United States and other high-grade bonds.

The paper matures from day to day and the bonds are readily marketable.

The bank owns no real estate, or other slowly-convertible investment, and is always in position to quickly liquidate its assets without loss.

This permits the bank to hold its entire resources for the accommodation of its depositors in time of need.

514 Smithfield St. 409 Fifth Ave.

The working capital of a bank may easily be too large.

This condition exists when the earnings are not large enough to show a reasonable return upon the surplus and undivided profits, as well as upon the capital stock.

Last year the MELLON NATIONAL BANK of PITTSBURGH earned $704,505.23—more than 12% on its combined capital, surplus and undivided profits. This is twice the average rate of local bank earnings during the same period.

On account of this large earning power the management can afford to be, and is, very safe and conservative.

They do not risk depositors' money in hazardous undertakings, nor do they make loans upon questionable paper.

Those seeking a connection with a conservatively capitalized bank are invited to call.

514 Smithfield St., 409 Fifth Ave.

The ownership of the capital stock of a bank must be taken into consideration in determining the strength of the institution.

Men who have invested millions of their own money in a bank will be very conservative in its management.

The capital of the MELLON NATIONAL BANK of Pittsburgh—more than Six Million Dollars, including surplus—is owned by those who are active in the management of the business.

They have more at stake than any depositor and may be depended upon to continue the policy which has made the bank a synonym for safety.

Those who value strength in a bank are invited to open an account. No limit, either high or low, is placed upon the amount of the initial deposit.

514 Smithfield St. 409 Fifth Ave.

The working capital of a bank is the sum of its paid capital, surplus and undivided profits.

It is a physical safeguard against loss to depositors and should be large enough to protect them in the event of the worst possible contingency.

The MELLON NATIONAL BANK of PITTSBURGH has a working capital of more than Six Million Dollars, all invested in choice securities and the best short-time commercial paper. It is readily convertible into cash in any kind of a market.

The fact that the capital actually increased steadily during the recent stringency is sufficient assurance that it will continue to fully protect depositors under the most adverse conditions.

This protection is freely offered to those who wish to deposit sums in any amount.

514 Smithfield Street.
409 Fifth Avenue.

Informative Publicity.

part of its campaign of popular education. It reads as follows:

READ THESE FACTS ABOUT
The Merchants & Clerks Savings Bank
338 Summit Street,
TOLEDO, O.

Organized over thirty-seven years.
The third oldest Savings Bank in Ohio.
Has a paid in Capital of $150,000.
Has an earned Surplus of $150,000.
Has additional Undivided Profits of over $33,000.
Has never missed a dividend twice a year since its incorporation.
Has paid its stockholders in dividends over $809,000.
Its stock commands a higher price than any other Savings Bank stock in Toledo; and is closely held by representative business men and capitalists.
Has a Board of Directors that directs.
Has all of its loans passed upon by a Finance Committee, which meets daily.
Has its books, loans and securities thoroughly examined frequently by an Examining Committee.
Its officers are men of years of banking experience, its President and Vice-President having been in the banking business longer than any other two Bank officials in Toledo.
Its investments are represented by over $1,100,000 in first mortgages on real estate; and nearly $400,000 in the highest grade Government, Municipal, School and County Bonds.
It owns the building which it occupies for its Banking room.
Has over 4,500 open accounts on its books; and deposits of over $1,300,000.
Has paid over $475,000 in interest to its depositors.

Strength of Savings Banks.

The Siegfried Advertising Agency of New York has prepared a booklet on "The Great Strength of Savings Banks in Financial Crises" for the Oswego, N. Y., City Savings Bank. It contains a very good line of talk as may be judged from this extract:

The great strength of Savings Banks at any time lies in the character of their management, the restricted nature of their lawful investments, their practical ownership by the depositors, their effort for security rather than profit, and in time of financial crises, the power they have to prevent the hoarding of money by their depositors. They have demonstrated this strength by some of them having an honorable history of 75 years, and not only coming through every panic unharmed, but in every panic showing themselves veritable Gibraltars of financial strength. They have earned the confidence of the public by deserving it, and should retain that confidence through good times and bad.

Another good piece of educational bank advertising is a booklet entitled "What is a Savings Bank?" written by W. H. Kniffin, Jr., and issued by the Home Savings Bank of Brooklyn. It bears a sub-title "A Modest Little Book on Banking for Those Who Do Not Know" and some of the subheads in the booklet are: "The Mission of the Bank;" "Stock vs. Mutual;" "How a New Bank is Started;" "They Work Without Pay;" "Where Does the Money Go?;" "The Mortgage—a Security Par Excellence;" "Working for You." This booklet is written in plain language and is not only plainly written but is interesting as well. It concludes with this friendly handshake:

"If you need a bit of advice concerning investments or money matters in general, come in and let us talk it over for we will be your friends."

The Detroit United Bank is running a series of informative banking talks in good space in the Detroit newspapers, the matter appearing over the signature of Frank B. Leland, president.

Informative Advertising.

Talk No. 1 is as follows:

With the purpose of informing depositors upon some salient features of the existing banking laws of this state, a few short articles will be submitted from time to time under above heading. There will be no attempt to make anything like a complete analysis of our laws relating to banks, but only such points will be touched upon as it is

FIRST NATIONAL BANK OF JOLIET
110 NORTH OTTAWA STREET

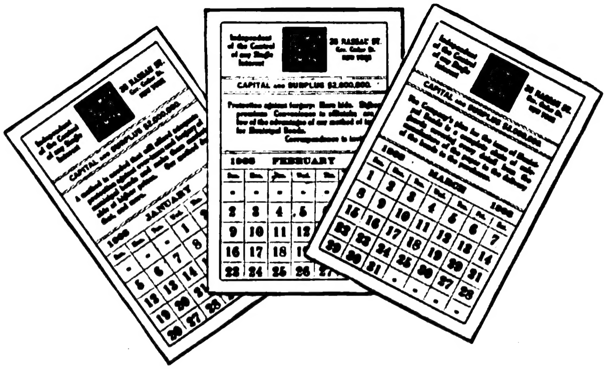
Do You Know

That this bank was one of the first National banks ever organized.
That it is the oldest bank in Joliet.
That it has the largest Surplus Fund of any bank in Will County.
That it holds the highest position on the Roll of Honor of any bank in Will County.
That its officers never sign bonds.
That it does not carry "Premiums" as an asset.
That its officers never invest a dollar in stocks.
That it carries no past due or doubtful paper as an asset.
That it never loans more than 10 per cent of its capital and surplus to any one person or firm.
That it has the strongest foreign connections.
That it is protected against Burglary by the electric system of the Bankers' Electric Protective Co.
That it is protected against Fire by the fireproof equipment of the Herring-Hall-Marvin Co.
That it is protected against Forgery by the Pinkerton National Detective Agency.
That it is protected against Robbery or Hold-up by the United States Fidelity and Guaranty Co.
That it loans the finest steel Home Savings Banks free to its customers.

?

YOU CAN OPEN AN ACCOUNT BY DEPOSITING ONE DOLLAR

Good Stuff.



A Good Blotter Series.

thought will be of the greatest interest to bank depositors.

Courts and law writers, as well as bankers themselves agree in classifying banks as Banks of Deposit, Banks of Discount and Banks of Circulation. All banks receive deposits. The classification of banks as above therefore arises principally from other kinds of business transacted by the banks.

A savings bank receives deposits and ordinarily invests the greater part of these deposits in certain selected securities, but a savings bank does not do a discount business nor does it issue bills to be circulated as money.

Banks of Discount receive deposits, discount commercial paper, make loans either with or without collateral security, issue bills of exchange, etc., but do not issue bank notes.

Banks of Circulation issue bank notes payable to bearer, that is, money, and also usually do a discount business and receive commercial deposits, but ordinarily do not accept savings accounts.

Frequently one bank does all these different kinds of business.

In Michigan all business pertaining to banking is now transacted by three classes of institutions—commercial banks (either National or State), savings banks and trust companies. All incorporated banks and trust companies doing business in Michigan, except national banks, are incorporated under either what is known as the General Banking Law or the Trust Company Law. The business transacted under these laws, permissibly or otherwise, is very general and complex. With one exception, the three hundred and thirty state banks now doing business in Michigan are organized to do both a commercial and a savings bank business, although, as a matter of fact, six of these banks do not transact a commercial business. The trust companies do not only a general trust business, such as administering estates, acting as trustees, receivers, etc., but some of them also do a very large business in receiving deposits and loaning money, which latter character of business many believe would more properly be transacted by banks.

It is my view that business which may be transacted by banks and trust companies should be closely delimited by law. A commercial bank should not be permitted to do a savings bank business, a savings bank should not be permitted to do a commercial banking business, and a trust company should not be permitted to transact banking business at all, whether savings or commercial. Each of these financial institutions has a proper and ample field of its own and should be restricted to that field. The fact is that modern banking and trust company business falls within certain easily recognized classifications, so that the kind of institution with which any particular business should be transacted is readily determinable.

Send for booklet **BANKING BY MAIL** fully illustrating the system **INTRODUCED BY THIS BANK** under which it is as easy for persons residing at a distance to carry their savings account with a strong metropolitan bank as for those residing in Detroit.

Address all correspondence to **The Detroit United Bank, 206 Griswold St., Detroit, Mich.**

FRANK B. LELAND, President.

This is a good talk, but Mr. Leland could have told as much in less space and thus, at the same time, make the ad. more readable and less expensive. For example, instead of saying in the opening sentence: "With the purpose of informing depositors upon some salient features of the existing banking laws of this state, etc.," would it not be better to say: "From time to time we are going to tell you here some of the things you ought to know about banking?"

That last sentence of the "talk" is too heavy also. If somebody were to ask personally about these things Mr. Leland probably would not say: "The fact is that modern banking and trust company business falls within certain easily recognized classifications, so that the kind of institution with which any particular business should be transacted is readily determinable." Probably he would say something like this: "The banking business now-a-days is divided up so that it's not hard to tell just where you ought to go for any particular service."

This bank is on the right track, but we think that a study of the advertising of two other Michigan advertisers—the Postum Cereal Co. and the Burroughs Adding Machine Co.—might be helpful to it in showing how it is possible to make advertising at once interesting, instructive and dignified.

PROOF READING.

The Symbols Used in Correcting Proof.

EVERY person who has occasion to deal with advertising and printing ought to know how to correct proof. For the convenience of the readers of this department we print the following usual proofreader's marks, with their meaning.

Delete; take out or expunge.

Left out; insert.

Colon.

A space, or more space, between letters or lines.

Less space between words or letters.

Hyphen.

Bring a word or words to the beginning of a line; also, make a new paragraph.

Directs attention to a broken or imperfect type.

Period.

Even spacing.

Indent.

Turn a reversed letter.

Push down space.

No space between words or letters, close up.

Comma.

Apostrophe.

One-em dash.

Two-em dash.

Quotation.

Straighten a crooked line, or lines.

Directs attention to a quadrat or space which improperly appears.

Sink or depress a letter, word, or character raised above the proper level.

Carry a word farther to the left or to the right.

Elevate a letter, word or character, that is sunk below the proper level.

| Shows that a portion of a paragraph projects latterally beyond the rest.

¶ Make a new paragraph.

___ Put in italic; also change according to the mark in the margin, as from italic to roman, or from roman to italic.

= Put in small capitals.

≡ Put in capitals.

.... Restore or retain words being crossed out, stet, being usually written in the margin.

wf. Wrong font; used when a character is of wrong size or style.

tr. Transpose.

l. c. Lower case, that is, put in small or common letters a word that has been printed in capitals or small capitals.

s. caps. or *sm. c.* Put in small capitals.

Qu. or *Qy.* or *?* Query; Is this right?

out, s. c. Words are omitted, or are wanting, see copy.

AN INTERESTING BOOKLET.

The State Street Trust Co. Tells Boston's History Graphically.

THE illustration on the opposite page is made up of pages from an unusual booklet prepared by an advertising agency for the State Street Trust Co., of Boston. It is entitled "Boston's Story in Inscriptions." The idea is well executed, the printing being especially good. The advertising matter of the company is on a separate slip inserted in the book. In our judgment, it would have been better to have the advertising printed right on a page of the book, as the chances are very great that the book and the slip will become separated, and after all, the primary object of the company in getting out the book is to advertise itself, popular education on historical matters being a secondary consideration.

ABOUT BONDS.

A Safe Method of Issue for Municipal Securities.

THE Columbia Trust Company of New York in an attractive folder describes its method of safeguarding bond issues. The article is as follows:

Policy of Adopting.

In the administration of public affairs and especially of those involving the use and expenditure of the people's money the greatest care and most exact system should be employed.

No one will deny that the various steps in the issue of bonds, representing many thousands of dollars of the people's money, should be carefully guarded and provision made against over-issue and duplication, but no city has the facilities for the production of its bonds and must entrust this business to others upon whose faithfulness depends not only the items mentioned, but, in no inconsiderable degree, the credit of the city itself.

The most desirable agent for a municipality to employ for the purpose is, manifestly, a responsible trust company having substantial capital, conservatively managed by men of known integrity, and subject to frequent inspection by the state authorities. When the officers of such a trust company have made the subject of public obligations a special study for many years and, as a result of their experience, have developed a method, providing adequate safeguards for their issue, there remains no doubt as to the propriety of entrusting to it the preparation of bonds, particularly when the trust company by endorsing a certificate on each bond becomes responsible for its genuineness and provides an easy means for its identification at any time during the life of the loan.

Convenience.

The experience gained in directing hundreds of bond issues enables the Trust Company to relieve officials, on whom falls the burden of issuing bonds, of much responsibility, which they would otherwise have to bear, and to in many ways serve their convenience.

The Trust Company has acquired all of the facilities necessary to properly safeguard the preparation and issue of municipal bonds and these facilities, as well as the active assistance and advice of the company's officers, are at the service of public officials who, if they so desire, may leave to the company all the details of the preparation, issue and delivery of their bonds, knowing that every item will be carefully attended to without worry or trouble to themselves.

Cost.

The Trust Company in providing adequate safeguards against the possibility of duplication has necessarily had recourse to the most elaborate and expensive steel engraving, but has, nevertheless, been able to keep the cost of individual issues within the limits of econ-

From an Interesting Booklet of the State Street Trust Co., Boston.

omy for even the smaller municipalities and school districts.

Not only has the expense of preparation been kept down but the added market value of the bonds, by reason of being so issued, is usually much more than the entire charge for engraving and certification, thus the municipality, by adopting this method for the issue of its securities, not only safeguards the interests of its taxpayers but, in doing so, secures for the bonds the highest obtainable price.

HOW BANKS ARE ADVERTISING.

Note and Comment on Current Financial Publicity.

SOME good sentences for bank advertising are:

A dollar saved is two dollars better than a dollar spent.

Why let the other fellow bank your money?

Fifty years of safe banking.

With your persistence and our 4% your account will grow rapidly.

Commonsense has saved more than brilliancy has ever made.

The foundation of thrift is a savings bank account.

A well selected trust company often saves a man's character as well as his purse.

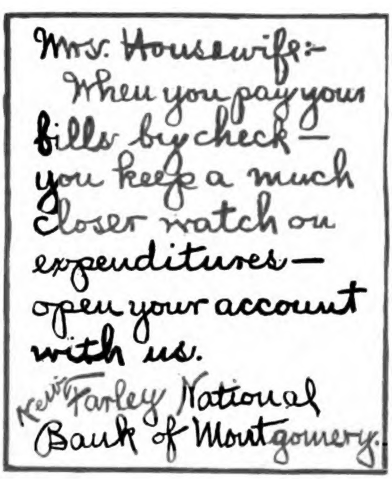
What are you going to do when you are old—work or rest?

This bank stands for all that is highest and best along financial lines.

The interest paid on mercantile accounts offsets many business expenses and represents an additional percentage of profit.

The only *certain* way to comfort and independence is to save money and deposit it where it will accumulate interest.

The man who earns a small salary and saves part of it will soon be better off than he who earns a large salary and spends it all.



Something Different.

Don't fail occasionally to look squarely in the face the fact that you are going to grow old and that you will need an income, perhaps, many years after you have reached a point where you cannot earn one.

We actually found this in an advertisement of a small Illinois bank:

"We give the same careful banking to others as they would exact of us.—Matt. vii. 12."

The fool-killer must have been asleep at the switch when he let the perpetrator of this get by. If anybody accuses the writer of this ad. of having been present when the brains were passed around, this will prove a conclusive alibi for him.

Here is some very unconventional bank advertising by Gimbel Brothers, the well known Philadelphia department store firm:

> "Dear, dear," said many good friends, when some months ago we opened a bank in the Chestnut Street Annex; "why any more banks?"
>
> And we answered, "because thousands of people are overawed by the big banks and therefore never open an account." Because, further, it will be handy to men to give their wives a household allowance that they can bank here and check on as they need.
>
> And because we'll make a story of it all and set thousands to thinking—and hundreds to saving. Furthermore, we'll allow liberal interest—
>
> 3 per cent. on balances in checking accounts.
>
> 4 per cent. on savings accounts.
>
> And this is how it's working out—
>
> **We Have Fifty Thousand Accounts.**
>
> Most city banks haven't a fourth that many.

The following explanation of the emblem of the Appomattox Trust Co., of Petersburg, Va., illustrated herewith, is very interesting:

> To the world at large, the word Appomattox suggests only the defeat of the Army of Northern Virginia. Very well, accept that and its symbol is a broken sword; but it is not thrown down and abandoned, nor lowered on account of intimidation. It is held "at guard" and while in this position is broken by an irresistible force, broken but crowned with a wreath of immortality and is without stain.

To amplify the Crest we look to the shield and see that the contending parties are the United States and the Confederate States, and the Confederate Battle Flag is begin-

APPOMATTOX.

An Unusual Emblem.

ning to be furled. Between the two flags is the bugle suggested by the line from Bayard Taylor. "The bugle sang truce" and for fear we might not instantly catch the import intended, we have below the Bugle Call, "Cease Firing."

In regard to the unusual design of the Austin North Bank of Billings, Mont., shown in this department, Mr. North says:

As a subscriber to the Bankers Magazine I have been very much interested in your Publicity Department as we have done a very large amount of advertising for many years and know how difficult it is to place paying ads.

We have been using a bank design a little different than anything I have noticed elsewhere, and enclose you a little advertising showing same, both as a "cut," and when set up from ordinary type in any old print shop. You will also note that the "AN" in the centre of the design are also the owner's initials.

We are getting out a new booklet and will be pleased to send you one when issued, as it will show interior views of our banking room, which is also differently arranged than anything we have run across elsewhere. Business is increasing very rapidly with the new year, many new people are coming, and we look for a very prosperous year.

This is an interesting design. The ad. itself is good, but we think it is open to at least one criticism. Its typographical arrangement is such that the reader gets the impression that the deposits amount to $250,000, whereas it is evident on closer study that it is the "Responsible Resources" that amount to that figure.

In explanation of its ability to pay five per cent. interest on deposits this bank says:

Billings is a hustling, wide-awake, rapidly growing city in the very heart of the great irrigated Yellowstone Valley where fortunes are being made, but a large amount of money is required to improve and develop the country. Our customers are the most thrifty people and can afford to pay us well for short time loans so that we make the difference. We know the people, know their lands and their ability to pay.

EIGHTEEN YEARS
BOOSTING BILLINGS

AUSTIN NORTH
BANK

BILLINGS, MONTANA

Responsible Resources

$250,000.00

D S

of one dollar or more received on open checking account or interest bearing

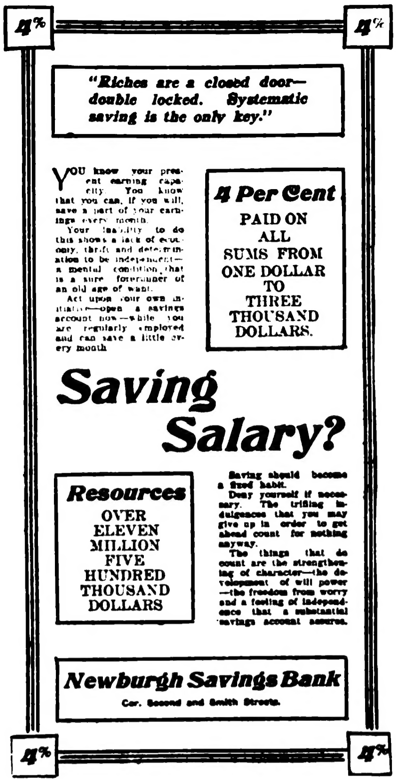
Certificates of Deposit

Bring us your account.

R. E. STONER, CASHIER.

Breezy Western Advertising.

Mr. H. Raymond Campbell of Newburgh, N. Y., writes the advertising for the Newburgh Savings Bank. The ad. reproduced is good in copy but not so good in type "set up." It is too fussy in appearance. If the printer would consent to dispense with rules and ornaments and put some of the strength of simplicity into his set up he would help his advertisers and improve the looks of his paper.

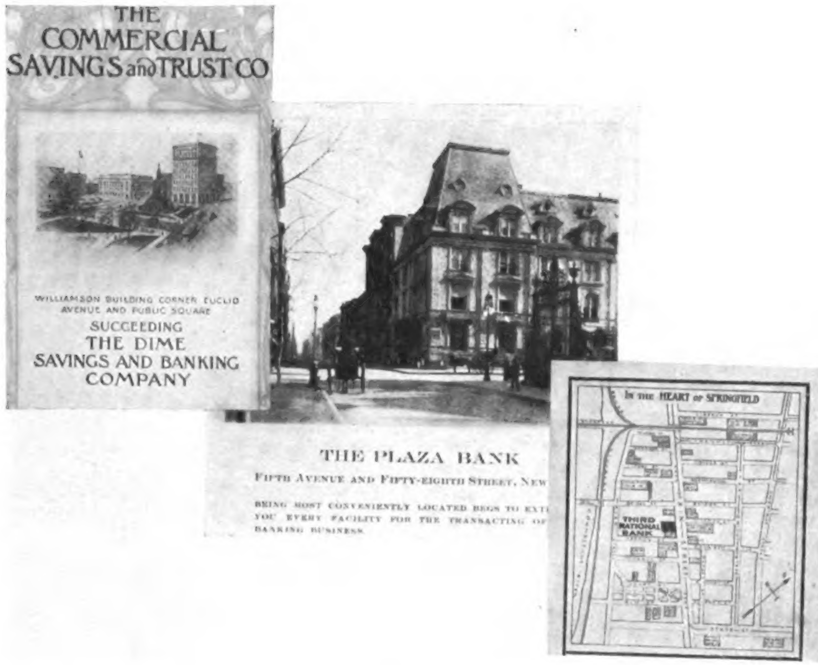


Rather Fussy Typography.

As a fearful warning to advertisers, we reproduce three "stock" cuts which are typical of the cuts that adorn (?) the ads. of many banks throughout the country, especially in the newspapers of smaller communities. We are not prepared to say that these cuts are worse than no cuts. Of course, it may be that they are so bad that they are good. That is to say, a ridiculous cut in an ad. may attract attention and make discussion just as much as a sensible one. But while, as Shakespeare said "Better be damned than not mentioned at all," why isn't it possible to get really attractive stock advertising cuts as cheaply as these monstrosities and insure favorable notice and comment on your advertising?

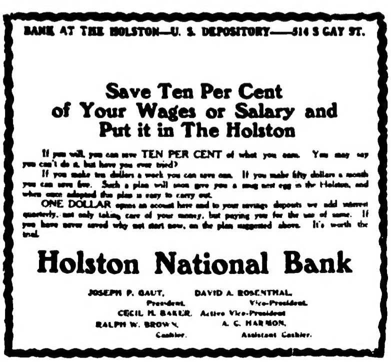
There is no objection to Father Time *per se,* but we have seen better portraits of him than this. A "Happy New Year" greeting is all right but why attach it to a wreath of crepe like this? That "Make Your" cut could be used as well to advertise Hand Sapolio as a savings bank only the Sapolio people are too good advertisers to use anything as poor as that. There is a great field for the man who will get up some really attractive and effective stock cuts for the advertising of small banks, which are now compelled to use such antediluvian specimens as are here shown.

Some Appropriate (?) Stock Cuts.



Making Location Clear.

An important part of every advertisement is the statement of the location of the place of business of the advertiser. We show by reproductions how some banks specially emphasize their location. It is a great mistake for a bank to send out any piece of advertising literature without its location as well as its name appearing on it. You cannot tell how far your advertisement may go, so do not curb its usefulness by sending it out without your address on it. The leaflet of the Columbia Trust Co. of New York, commented upon elsewhere, has this defect. Newspaper advertising of the Fourth National Bank of Montgomery, Ala., also lacks this important statement of exact location. The good ad. of the Holston National Bank with its definite savings talk, would be better if it indicated that the institution is located in Knoxville.



Definite Advice.

The reproduction of the Banking by Mail Department is from a handsome booklet prepared by Guy W. Eskridge for the Planters National Bank of Richmond, Va. The book is particularly well illustrated and printed and the text matter is a good exposition of the service offered by this strong institution.

The illustration we reproduce showing the main entrance to the Third National Bank of Springfield, Mass., is from an excellent booklet just issued by that institution. A good paragraph in the booklet is this:

> A CORDIAL invitation is extended to the public to visit our new banking rooms and inspect our vaults and other equipment. Your visit will be made as agreeable and pleasant as possible, whether you have business relations with us or not.

This letter of the Penn National Bank of Philadelphia is a strong one and ought to be a business puller:

Dear Sir:

Investment Banking, as compared with Commercial Banking, has held the attention of our business community for some time.

A Commercial Bank's business is based mainly upon one, two, three or four months' notes, which are constantly being made and as constantly paid, because the needs of the makers are continually changing with the production and consumption of commodities.

To use Commercial Funds for investment purposes, constitutes Investment Banking, curtails legitimate business enterprises to the same extent, promotes speculation and, if not checked, threatens the very foundation of our economic and trade system. The basis of its business is fixed, and its loans, upon collateral are likely to remain the same for an indefinite period.

The discounts of a well regulated Commercial Bank vary with the productive interests of the country, and are changing from day to day; maturing notes of one branch of industry are used to meet the needs of another. Its assets are quick assets and are in liquid form.

The Penn National Bank is strictly a Commercial Bank, is under Government supervision, Clearing-House protection and oversight, and maintains a proper and sufficient Cash Reserve. It is independent of the control of any single interest and is able to meet the reasonable needs of its patrons at all times.

We invite your attention to the enclosed statement and offer you all the facilities and advantages of a Commercial Bank, developed and perfected by eighty years of successful service.

Your personal account, large or small, should have the same protection as your business account.

Very truly yours,
S. S. SHARP, President.

The Manufacturers' National Bank of Lynn, Mass., is doing some good advertising if the accompanying confidence-inspirer is a fair sample of its advertisements.

From Booklet of 3d National, Springfield, Mass

The Rose City Bank of Little Rock, Ark., has chosen for its emblem a rose. The flower appears with natural coloring on checks, letter heads, etc., and makes a very attractive and unusual trademark.

The Solidity of a Bank Account

VERY largely rests upon the strength, character and reputation of the Directing Force. Confidence is the chief requisite in a Bank. We get it and maintain it because our success rests upon the business success of our board of directors. This institution, with the backing of resources amounting to $1,581,947, also offers conservative and careful management under directors who have made a success of their personal business.

Manufacturers' National Bank

B. W. CURRIER, President
W. B. LITTLEFIELD, Vice-President
CLIFTON COLBURN, Cashier

In Keeping.

The March number of "The Nova Scotian," the house organ of the Bank of Nova Scotia, is a very interesting number. One of the leading articles is that on "Canada's Royal Mint," by Mr. John McKeen, manager of the Ottawa Branch of the Bank. In this article Mr. McKeen reflects the justifiable pride of the Canadians in the fact that they are now able to coin their own money. The concluding paragraphs of the article are as follows:

Divested of all sentiment and from a purely economic point of view it is likely to cost Canada more for some years to come to manufacture her own metallic money than under the old system of using the Royal Mint, London. The new Mint fully equipped is likely to cost over $500,000, the interest on this fixed sum, and the annual appropriation of $75,000 for maintenance will bring the yearly cost probably to $100,000 from which there will be some offsets for commissions and expressage.

While sentiment does not enter into the calculations of the economist it is nevertheless an important asset in nation building. If Canada is to realize her national aspirations, so well expressed by Kipling, to be "Daughter in her mother's house but Mistress in her own," few citizens will object to the small impost that gains them the patriotic privilege of jingling in their pockets coins "made in Canada."

"Our Business is to Help Your Business" is the title of a good booklet issued by the Central Trust Co., of Indianapolis. It contains a well written epitome of the company's various facilities.

The Fidelity Trust Co. of New York recently issued in leaflet form a reprint from the "Wall Street Journal" giving figures to show how the various banks and trust companies of Greater New York were affected by the recent panic. The Fidelity's showing in this table was particularly good.

MINOR COINS.

NOT CRIMINALLY RICH.

"WAS Croesus a very rich man, pa?"

"For his time he was, but today he wouldn't be considered worth indicting."—*Judge.*

UNTOLD WEALTH.

"WHAT is 'untold wealth,' pa?"

"The property you keep out of the tax list."—*Harper's Weekly.*

OVERCAPITALIZED.

MOST of us are inclined to believe that that $5,000 dog which George Gould lost the other day was overcapitalized.—*Albany Journal.*

A DECORATION CHECK.

"SAY, you gave me a check on a bank with which you have no account."

"Well you led me to believe that you intended to frame it," retorted the genius loftily.—*Louisville Courier-Journal.*

STARTING A LIBRARY.

ONE of the best books with which to start a library is a pocketbook.—*Philadelphia Bulletin.*

A PROMISING FINANCIER.

LADY (on street)—"Do you know where Johny Tucker lives, my little boy?"

Little boy—"He ain't home, but if you give me a nickel I'll find him for you."

Lady—"All right. Now, where is he?"

Little boy—"Thanks. I'm him."—*Judge.*

NO OBJECTION TO LENGTH.

WE bonded the other day a bank cashier who was six feet two inches tall and still growing. We care not how tall he gets to be, so long as he does not get a few thousand dollars short.—*Fidelity and Casualty Company's Monthly Bulletin.*

WHEN TIME IS NOT MONEY.

"TIME is money."

"Hard times aren't."—*Harper's Weekly.*

ORIGIN OF PANICS.

"BUSINESS good?"

"Fine."

"Making money?"

"Yes."

"Then why are you panic-stricken? Has anything happened to you?"

"No; but it might."—*Louisville Courier-Journal.*

A SLY HINT.

THE Government should present everybody with one of the coins, so that there may be no doubt whatever that the motto has gone back on them.—*Chicago Journal.*

DEPARTMENT STORE BANKING.

"WHY do they have a banking business connected with that large department store?"

"They put the money out at interest while the customers wait for change."—*Reader.*

GUARDING THE DEPOSITS.

GENTLEMAN About Town—"An' if a guy swiped a coin outer de cup, d'yer mean t'say de dog 'ould yelp an'grab him?"

Near Blind Person—"Sure he would! He ain't no dummy director."—*Puck.*

RESERVE INCREASED.

A LOT of good cash has been hoarded,
By people who feared for their "rocks,"
But now day by day, it's recorded,
That it's passing from stockings to stocks.
—*Boston News Bureau.*

IN FINANCIAL TERMS.

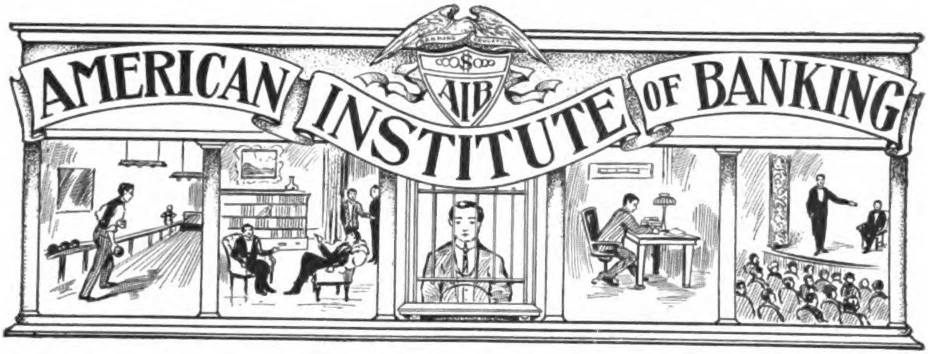
"WE took over the Binks Company and we took over the Winks Company, and we were doing fine."

"Well?"

"Meanwhile, our cashier took over a million dollars and busted us."—*Baltimore Sun.*

THE MOTTO.

Motto put back?
'Tis well, but alack,
Motto or not
They must be got.—*Exchange.*



THIS department is conducted in the interests of the American Institute of Banking. From time to time articles of special value to members of the Institute will appear here and it is intended to publish as much news of the various chapters as possible. It is hoped that each chapter will appoint someone whose regular duty it shall be to correspond with THE BANKERS MAGAZINE for this purpose.

Group and individual photographs of officers and members, photographs of chapter rooms, accounts of banquets, debates, and chapter progress are desired and practical suggestions and discussions are solicited from all members of the Institute. Manuscripts and photographs must reach us by the 25th of the month to be in time for the following month's issue.

THE IMPORTANT THING.

The Educational Work is the Principal Object of the Institute.

IN the case of a good many colleges the public at large hears a good deal more about them through the athletics and the social activities of their students than it does on account of the earnest study and practical research carried on by its faculty and student body.

It is the extraneous and on-the-surface things that attract popular attention, while oftentimes the more solid and enduring factors escape notice.

Nevertheiess that steady undercurrent of hard work goes on and reveals itself in results later on.

It is just that way with the American Institute of Banking. Secretary George E. Allen calls our attention to the fact that while the social and other secondary features of the Institute are pleasant and helpful the prime object of the organization is educational, as indicated by the motto "Banking Education," which occupies a conspicuous place on the emblem of the Institute.

As illustrating this point, Mr. Allen sends us the following article by Mr. Alexander Wall of the Milwaukee Chapter, who is a graduate of Harvard University and chairman of the Educational Committee of the Associated Chapters:

Education has been defined as "the process, or the result of educating; acquirement by any course of discipline and instruction; the systematic development and cultivation of the mind and other natural powers, and the direction of the feelings, the tastes and the manners, by inculcation, example, experience and impression. Education has for its aim the development of the powers of man by appealing to human interest and enthusiasm."

Of the above definition the last phrase should be the most interesting to the American Institute of Banking. What we need at the present time is an education scheme or plan that will develop human interest and enthusiasm. For the past few years we have had only one source of stimulus aiming toward one kind of result. Lecture courses and study classes do a great good and are certainly educational to a great extent. But, I have been told by people who should know, that this sort of work interests and satisfies only about 15% of our whole body. If this be so then 85% of our members are not directly interested, nor are they enthusiastic.

The object of this writing is not to attempt to settle the subject for all time and show just how interest and enthusiasm can be hatched and propagated, but it is written with interest and enthusiasm for a good movement and in the hope that it may start some to thinking for themselves, or better to expressing their thoughts so that others may gain by them. It is written in the spirit that knowledge should be of a reciprocal nature. The man who continually receives ideas and gives out nothing, is in danger of having an attack of mental indigestion that will unfit him for any real advancement. It is by rubbing elbows, figuratively, as well as practically, that men enlarge their mental abilities. A spirited contest produces a bright and flexible mind.

Chapter Incorporation.

First of all, I believe that every chapter should incorporate so that it may have a legal existence and be compelled to regulate its acts in a lawful manner. Nearly all of us have some close association with cor-

porations and understand in a general sort of way how they are run. If our chapters should incorporate, we could get a very practical experience in corporate life. It is my opinion that the funds of a chapter, no matter how small, should be expended only in accord with the strictest laws. There should be a budget and those whose duty it is to spend money should be very closely regulated in their powers.

Recently Milwaukee, Chicago, Minneapolis and Detroit have formed a debating conference and this is a step in the right direction. If the bankers of this country are going to take the lead in formulating the opinion of this country as regards currency matters, and they certainly should, then there is going to be a demand for trained speakers and debaters. It is not enough to understand our subject thoroughly, but we must be able to put it in such language that everyone else, even if he have not technical training, may understand it. If the chapters in the eastern part of the country would form a similar debating conference, it would be possible for us to have at each of the conventions a debate between two teams, both of which had won their right to debate by winning their own particular series of preliminary debates. This ought to give a considerable stimulus to debating in general as the individual members would feel that there was a possibility of their gaining considerable prominence through their efforts.

Parliamentary Procedure.

There is another point that should be enforced to the fullest extent in every chapter, viz., the strict adherence to the rules of parliamentary procedure. It very often happens in conventions, or assemblies, that an individual member may be fearful of taking the floor because he may feel that his lack of parliamentary training might expose him to ridicule because of his making some foolish error. If each of our members were a thorough parliamentarian, we would have a much freer expression of opinion in our conventions and probably a more lively debate on matters relative to the policy of the Institute.

My connection with the educational committee probably makes it germane to this article to mention the book on banking, the outline of which has been delegated to this committee. At the present time the committee is endeavoring to form a skeleton for the book, drawn up in such a manner as to cover the subject of banking and at the same time to be in such form that the separate chapters of the book can be given to the different chapters of the Institute for compilation. I should like to mention here in brief one outline that has been suggested and ask that any member of the Institute write either to me, or to any member of the educational committee, expressing his views and offering any suggestions for improvement. I would say first, however, that inasmuch as the committee itself has not as yet agreed upon an exact plan, it will be impossible for me to offer more than a very slim outline.

First of all, we would assume that the statement of a national bank as issued to the comptroller of currency, contains all the elements of banking machinery. In other words, in order to make an understanding discussion of loans and discounts, it would be necessary to discuss the work of a discount committee, the connection between the officers and bank and the power to make loans, the work of a credit department, the work of the discount clerk himself and the method of transferring the figures from the discount cage to the general ledger. The plan in brief then is as follows: To take the separate items on the bank statement and have each one treated as a separate chapter of the whole book. There are of course some items that would naturally be grouped together, such as capital, surplus and undivided profits, which are in reality the invested capital of the stockholders and the real capital of a bank. By making such combinations of the items on the national bank statement, we would have a book of about 22 or 23 chapters. In addition to these, it has been suggested that we have a separate chapter dealing with foreign exchange, clearing-house certificates, trust companies and savings banks, showing their difference from the general banking scheme. In all there would probably be about thirty chapters covering all the classes of items handled in a bank and dealing with the work of every man handling them.

This plan has been suggested in antithesis to the plans generally adopted of starting out with the organization of a bank and then taking up the several departments. The argument in favor of the method outlined is that the organization of a bank is practically, absolutely prescribed in detail by the forms issued by the Comptroller of Currency or the State Bank Examiner. This matter would be set forth in the preface and attention drawn to the fact. It would be rather hard to make a division along physical departments, inasmuch as many banks do not have the actual physical departments in operation, although it is true that they do exist in every bank, even if they are no more than mental reservations in the mind of a country banker where the individual president or cashier exercises the whole executive. The plan of dividing the book according to the statement items would be just as easy of comprehension by this latter man as by the president of the largest New York bank.

Outline of the Book.

An outline of the book as suggested includes twenty-six chapters, divided as follows:

First.—Loans and discounts, including time loans, demand loans and overdrafts.

Second.—United States bonds to secure circulation, United States bonds to secure United States deposits, United States bonds on hand, premiums on United States bonds and bonds and investments.

Third.—Banking house, furniture and fixtures, other real estate and mortgages owned.

Fourth.—Due from national banks, due from state banks and due from approved reserve agents.

Fifth.—Checks and other cash items.

Sixth.—Exchanges for clearing-house.

Seventh.—Cash on hand.

Eighth.—Five per cent. redemption fund.

Ninth.—Due from treasurer of the United States.

Tenth.—Capital stock, surplus fund and undivided profits.

Eleventh.—Circulation.

Twelfth.—Due to other national banks, due to state banks and bankers, due to trust companies and savings banks, due to approved reserve agents.

Thirteenth.—Individual deposits subject to check.

Fourteenth.—Savings deposits.

Fifteenth.—Time certificates of deposit, demand certificates of deposit.

Sixteenth.—Certified checks.

Seventeenth.—Cashier's checks outstanding.

Eighteenth.—United States deposits.

Nineteenth.—Notes and bills discounted.

Twentieth.—Bills payable.

Twenty-first.—Reserved for accrued interest, other liabilities.

Twenty-second.—Exchange — foreign and domestic.
Twenty-third.—Letters of credit.
Twenty-fourth.—Transits.
Twenty-fifth.—Collections.
Twenty-sixth.—Clearing-house certificates.

Of course, at the present time this outline is open to suggestion and any member of the committee will be very glad to hear from any member of the Institute suggesting changes.

In closing, I beg to state again that what the Institute needs most is the interest and enthusiasm of every member. If we are to publish a book, it can only be done by having the combined support of the entire Institute behind us. If the Institute is to grow and become the useful adjunct to the American Bankers Association that it should be, it can only be done by having the individual members always bear in mind these two facts: First, learn your subject thoroughly, and second, after having learned it, do not hesitate to advance your ideas. What we want is a body of men who have ideas and who are not afraid to uphold them.

AN ACTIVE SOUTHERN CHAPTER.

The Work of the Tidewater Chapter Set forth by its Scribe.

THAT Norfolk and Portsmouth, twin sisters by the sea, have some reason for their boast that they are surrounded by a country and by waters blessed by Providence, was demonstrated during the "late unpleasantness." While our friends in distant climes, as well as our nearer neighbors, were forced to adopt war measures and revert to the exchange of promises to turn loose good hard money at some time, we were swapping our Uncle's real money all the while.

Tidewater Chapter has held her own in the midst of the scrimmage, and is doing good work, which she hopes to make better. Since moving to her new rooms four open meetings and many business sessions have been held. At the first meeting we held an informal reception which was greatly enjoyed, characterized by good fellowship and promised a successful year's work which is in process of fulfillment.

The second meeting was devoted to an address by Mr. O. E. D. Barron on the "Qualities of a Successful Bank Clerk." It was stimulating and helpful throughout, and greatly enjoyed by the men present.

The third meeting, held on the 30th of January, was one of the most enjoyable of the series: John B. Jenkins, a prominent member of the Norfolk Bar, gave a most instructive address; covering, in the short time allotted, a brief and interesting history of banking from its inception, and giving in some deta.. a history all all of the great banks of history. Lieutenant C. P. Shaw, retired, of the United States Navy, who has given much of his time and thought to the subject, followed with an address on Municipal Government, in such a manner as to awaken the interest of the most indifferent. W. C. Jenkins, assistant cashier of the Seaboard Bank, talked interestingly and hopefully on the educational work of the Chapter, after which a Query Box was conducted, the questions asked being mainly taken from the Bulletin. This feature of the work has proved of great interest and helpfulness to the Chapter, bringing out the mental and argumentative powers of the members to a remarkable extent.

The last meeting, held on the twelfth of this month, proved the most enthusiastic of the series. The speakers were W. Wallace Starke, a prominent Norfolk attorney, and R. S. Marshall, cashier of the Bank of Tidewater, in Portsmouth. Mr. Starke, who spoke on Negotiable Instruments, showed a peculiar aptness in emphasizing the points in the law which were likely to cause difficulty in the ordinary course of business, and couched his language in such terms as to be intelligible and interesting to the clerks present. Mr. Marshall, who is a representative of the Committee from Virginia on the Bill of Lading Committee of the American Bankers Association, spoke on the subject with which his committee is engaged. His address was well worthy of the importance of the subject, and he threw much light on the danger to the banks from the present method of issuing and handling these important documents. Mr. Marshall was the first president of the old Norfolk Chapter, and has always been an enthusiastic member of the Institute; his sterling qualities have not only brought him in touch with the work of the National Organization, but have placed him in charge of the growing institution in Portsmouth over which he has the care. His many friends in the work of the Institute will rejoice with his local friends over his well deserved progress.

On the occasion of this last meeting, an Adding Machine Contest was held, the machines, and checks used, and the prizes offered, consisting of a handsome diamond pin as the first prize, and a pair of gold cuff buttons as the second prize, were most generously furnished by the Burroughs Adding Machine Company of Detroit, Mich., through their representative, W. L. Pearce. Two hundred and fifty checks were listed, and the prizes went to the fastest accurate men. Out of the twelve contestants, the only two making correct lists were J. B. Dey, Jr., of the Norfolk National Bank, and A. Gerow, of the Marine Bank, to whom the prizes were awarded in the order named. Mention should be made of the good work of Fred J. Schmoele,

who, with one error of seventy cents, made the record time of the evening: four minutes and one second.

The Chapter has made arrangements to take up the course of instruction offered by the International Correspondence Schools of Scranton, Pennsylvania, and we hope, will have many entries for the course. The outlook is hopeful and it is expected that the interest in this feature of the work will be developed and sustained.

CHAS. M. GRAVES, JR.
Chairman Press Committee.
Norfolk, Va., March 14, 1908.

CHICAGO CHAPTER NEWS.

Debating and the Coming Election Occupy the Attention of Members.

CHICAGO has accepted the challenge of the Minneapolis chapter recently successful over Milwaukee, to debate in Chicago in the near future. The chapters have decided upon the following question: "Resolved, That a central reserve bank of deposit, discount, and issue, under the supervision of the Federal Government would

be for the best interests of the people." Minneapolis has chosen to uphold the affimative. A preliminary debate for the choice of the team will be held at the chapter rooms Tuesday evening, April 7, at 8 p. m.

At the regular meeting of the debating society held March 3, Mr. Chandler, coach of the Chicago University teams, gave the men the best talk we have ever had on public speaking and debating.

Before the close of the meeting the regular election of officers of the society was held. Those elected were Benj. B. Bellows, Chicago Savings Bank & Trust Co., president; Simon Barlow, Continental National Bank, vice-president; and Martin H. Smith, Colonial Trust & Savings Bank, secretary and treasurer. Mr. Bellows appointed as program committee: Simon Barlow, chairman; Thos. P. Kellogg, and Craig B. Hazlewood.

Tuesday evening, March 10, the chapter heard Wm. E. Mason on "Live Questions." The ex-Senator touched upon all questions of issue in the coming campaign and dwelt at some length upon the question of allowing a polygamist who openly takes oath against our country and its laws to sit in our senate and legislate for us. He also spoke at some length upon the direct primaries. When Mr. Mason finished nearly all felt as though they had neglected their duty as citizens in not being more familiar with the subjects concerning all.

The chapter tried another new "stunt" Tuesday evening, March 24, at a general meeting, by holding a mock Republican national convention and with great success. It taught some of the members a little politics and certainly gave all present great pleasure. Craig B. Hazelwood was made permanent chairman and Benj. B. Bellows, secretary.

Some of the nominating speeches were particularly good for their sincerity and delivery while others were ridiculously funny —J. Pierpont Morgan being one nominated.

The May election of the Chicago chapter is very near at hand. Two candidates have already publicly announced themselves for the presidency, Mr. Frank Spearin, Corn Exchange National Bank, and George Jackson, Continental National Bank. Mr. D. G. Bellows, Zion City Bank, is out for vice-president, and Benj. B. Bellows, Chicago Savings Bank & Trust Co., is out for one of the two vacancies in the executive committee.

BENJ. B. BELLOWS.
Chicago, March 25, 1908.

CANADIAN BANK CLERKS.

The Opportunities Before Young Bankers in the Dominion.

"THE NOVA SCOTIAN," the house organ of the Bank of Nova Scotia, pays considerable attention to the interests of the bank clerks. In its current number, in addition to the cartoon reproduced herewith, it has the following article on bank clerks' prospects:

There appears to be a growing difficulty to-day in getting good men to take up the profession of banking, and this state of affairs is to be deplored. Of course, in a young country as large as Canada, having as many and varied opportunites for young men, it is natural that a feeling of restlessness should pervade our young men and prompt them to go away from home, prob-

THE EVOLUTION OF
THE BANK CLERK

SKETCHED BY
G. A. CAMPBELL,
ACCOUNTANT, ST. JOHN'S.

1.—THE JUNIOR.

2.—THE DISCOUNT CLERK

3.—THE TELLER.

4.—THE ACCOUNTANT

5.—THE INSPECTOR.

6.—THE MANAGER.

The Six Ages of a Canadian Bank Clerk.

From "THE NOVA SCOTIAN."

ably to the West, to try some new venture in preference to entering a bank in their own home-town or city.

This is in contrast to the manner in which the average young man in the older countries takes up some profession at home and remains there. But our men are right to be ambitious. The country has no greater need than ambitious, honest men. And yet it would appear, logically, that banking offers as many opportunities as most occupations, and more than a great many. It is probably the best general business education of any single one.

Our last issue mentioned several men, who to-day loom large in the business world, whose early training was received in the Bank of Nova Scotia. The general and essential principles that banks endeavor to inculcate are to work with energy, accuracy, perseverance, forethought and self-reliance. These qualifications will sooner or later bring to the front the possessor of them, and there is always room at the top for such.

Our officers are generally promoted as soon as they are ready for it; and being transferred from place to place they meet many and divers people and business customs; they learn the value of presenting a pleasing personality to the public, they even learn diplomacy and get a broad outlook on men and affairs. The next generation of bankers needs to be a good one. As our country grows, and it certainly will grow apace, so the banking problem grows. Our system and our bankers compare favorably with those of our neighbors across the boundary line. Will we not need many such good financiers in the next few years?

The general objection to taking up banking to-day is the salary question. The salaries on an average are far better than they were a few years ago, but still further improvement is looked for.

CONCENTRATION AND SUCCESS.

THIS is a message to young bank men on the importance of concentration.

One of the temptations that besets the young banker to-day is dissipation of energies. Modern life is so complex and there are so many calls upon one's attention that it needs the strongest kind of mental and physical concentration to get the best results and build rightly for future success.

Have you ever watched a boat crew at practice? If you have you have heard the coach admonish the oarsmen:

"Eyes in the boat!"

In other words, he says to the men "Concentrate!"

He knows that when the day of the race comes the contesting crews may be very evenly matched and that his men may need to put every ounce of their strength into use to win.

That is only one illustration. If you have given any thought to the matter you have undoubtedly observed many others. Indeed, the whole realm of nature and human experience is full of proofs of the wisdom of concentration. The rifle ball, the turbine engine, the steam drill—these are illustrations in the mechanical world that come readily to mind.

In the field of biography the list of men who have accomplished great things by concentrating their energies is a long one and contains many illustrious names, including Sir Isaac Newton and Napoleon Bonaparte. And there have been thousands, who, although they have not reached the highest fame, yet have attained a very great measure of success, by adopting as Ezra Cornell did, the Scriptural motto:

"This one thing I do."

This is a short sermon but is there a single ambitious member of the American Institute of Banking who can not derive great benefit from making the thought of this preachment part of his life and work?

BACKING UP ADVERTISING.

The Importance of Courteous Attention to Customers.

A GOOD many members of the Institute are in positions where in the performance of their duties they are brought into contact with the public—the customers and possible customers of their institution.

Perhaps you think it is unnecessary to suggest courtesy on the part of bank men in their dealings with the public. In the great majority of cases such a suggestion is superfluous, it is true, but it needs only a little observation as an outsider to show that there is still room for improvement in this respect. A prominent business magazine recently published an article purporting to give instances of thoughtlessness on the part of bank employes in this respect.

It resolves itself into a matter of backing up advertising. When a bank spends a lot of money in advertising to solicit accounts and new business, promising courteous attention at the hands of officers and employes, it is very poor business policy, to say the least, if the men in the bank do not do their part in fulfilling these promises.

And it is not only in the matter of patient and courteous attention to the requests and needs of customers that advertising can be backed up. The men of the working staff should know just what advertising their institution is doing, what promises are made and what facilities and information are placed at the disposal of the public, and then prepare themselves to work in harmony with the advertising for the good of the institution.

Unwavering Politeness.

On this subject of courtesy Patten's "Practical Banking" speaks wisely as follows:

One of the first duties of all bank officers is to be uniformly and unwaveringly polite—courteous—to every person dealing with them. The greater the difficulties, the greater should be the struggle to attain what I have described as being so absolutely necessary, and the greater the honor to which the bank officer is entitled for his successful carriage under such trying circumstances.

Although it may be one of the hardest duties devolving upon the clerk to maintain this uniform politeness and good nature, under the annoying and vexing circumstances with which he is liable to be so often surrounded, with resolution and practice he may live up to the standard I have set up.

From his position behind the bank counter he must dispense equal politeness, consideration and courtesy to all with whom he deals. The size of a person's bank account, his degree of acquaintance with the methods and machinery of banking, his claims upon the bank officer for time and attention, his agreeable or disagreeable ways, should not have the slightest effect upon the deportment of the bank officer who is called upon to give him attention. And, while he is giving him attention, it should be the most undivided and interested.

Great care should be taken to avoid airs of indifference or superiority, though the matter under consideration may be of the most trifling importance, and the dealer presenting it the most unreasonable and unwelcome person to be imagined.

On this same subject "Bank Notes" in its current number says:

We have in mind a national bank in a town of about twenty-five thousand inhabitants where half the town knows the other half. This bank has a new building and a fine little banking office; it is strong and well managed and can offer every facility for the convenience and safety of its patrons. Yet this bank is steadily losing accounts. Why? Simply because, from the cashier down to the messenger, they show a remarkable lack of courtesy and are positively boorish to nearly every one who enters the bank. The president is a fine courtly gentleman, and if all the business could be transacted through him, the bank would be far in advance of any of its competitors.

Is This An Extreme Case?

No one enjoys going into this bank. Approaching the teller's window to get a check cashed, the teller barks and tries to climb between the bars to get at the customer—a low growl seems to run from cage to cage, and one can almost see the hair bristling on the backs of the employees' necks. The teller snatches the check—slaps it around the counter—hesitates over the signature—objects to the endorsement, and finally throws the money down on the counter with an air of "take it and get out."

If the customer goes to the collection window, he is met by one of the young "society men" of the town who settles his business with a very supercilious air and does not deign to become pleasant over the matter of business; yet if one of the young man's friends is at the window, the humble customer may wait indefinitely until the two young men have finished their discussion of last night's dance. Putting friends before business is a common practice of all the men in this bank and often a customer, disgusted, will walk out without having his business transacted.

The cashier sets the example for the rest of the men; when a customer approaches his desk one can hear the rattle of the chain as he makes a wild leap in his endeavor to sink his teeth in the customer's throat. The conversation is usually carried on in heavy rumbles and grumbles on the bank's side, and a frightened whimper from the customer.

Now what is this bank coming to? It is the depository for the leading corporation of the town, which numbers among its stockholders many of the citizens. For their dividend payments, the stockholders present their coupons to this bank, but instead of depositing there, they take the cash to the other banks. Thus the oldest bank in the town, by many years, is losing business to its younger rivals. The officers and men, outside of banking hours, are an agreeable and well-liked crowd, but to do business with this bank is considered a hardship and something to be avoided as much as possible.

Women actually fear to enter the bank at all, as their treatment is not what they have reason to expect from the average American man. Ofttimes a woman has left that bank weeping, because of the treatment she has received.

This is a true story, an actual picture. In it there is a lesson but only for the few. Be it said for the rank and file of our banks that they know too well the asset of courtesy to lose business through lack of it.

BANQUET AT PHILADELPHIA.

THE annual banquet of the Philadelphia Chapter was held at the Continental Hotel Saturday evening, March 14. About two hundred members and guests were present, including representatives from most of the large financial institutions of the city.

Edward James Cattell, corresponding secretary of the Inland Waterways Commission, presided. C. Stuart Patterson responded to the toast, "Federal Control of Railways," and A. L. Moise spoke on the topic, "Beauty and Poetry of the Southland." A resume of the work of the chapter during the year was given by John G. Sonneborn.

PROVIDENCE ANNUAL BANQUET.

Some Sound Financial Wisdom at the Gathering in the Convention City.

THE annual banquet of Providence Chapter was held Wednesday evening, March 18, with about 170 members and guests present.

H. Howard Pepper, president of the chapter, presided as toastmaster, and his introduction of the speakers was full of

witticisms, and his remarks replete with stories and incidents.

Besides the speakers and the officers of the chapter there were seated at the president's table many of the officials of the local banks.

John C. Loomis, president of the Hartford Chapter, was the first speaker, and in his address "Greetings from Over the Border" he spoke of the excellent work of the American Institute of Banking. He also said that the great conception that is back of the Institute is fraternity and education in banking topics, and that the educational spirit is universal in its application to bank men.

The Rev. A. E. Krom was assigned the topic "An Asset Overlooked." His remarks dwelt entirely upon the hidden topic, "Character as an Asset in Business." Mr. Krom said that he believed that the finest type of American manhood to-day is to be found, not in the professions, but in business walks of life. He claimed that a man's way of getting and his way of spending both had an influence on the development of his character.

The principal speaker of the evening, S. S. Pratt, Editor of the "Wall Street Journal," spoke on "The Financial Crisis, and Some Practical Lessons To Be Drawn From It."

Lessons of the Crisis.

Mr. Pratt said that he has held that banking reform and not currency reform was what was most needed in this country, and that past events have borne out this theory.

He drew ten lessons from the recent panic:

For the bankers, he claimed that it showed more need for reserves, for publicity and for careful lending of credit.

For Congress, it showed the need of legislation for relief from some of the worst effects of a panic.

For Wall Street, it should learn that its business is done mostly on credit (borrowed money), and that it is the servant of the country and not the whole country itself. That it should require larger margins from speculators and not depend on the brokers and bankers to supply as much credit as they do at present.

He thought that Wall Street had, on the whole, produced an admirable organization and that its sins were those of omission, rather than commission.

The lesson that he drew for the country was that it should "get together" with Wall Street and "stop quarreling" about the division of the profits of business.

In reference to the Hepburn bill to tax stock sales, he claimed, that it would, if the bill became a law, shatter the whole system of collateral loans and produce a panic far worse even than that of 1907.

In his lesson for labor, while thoroughly believing in the organization of labor, he said that labor was demanding too much, and that it should learn from this panic that the law of supply and demand could not wantonly be set aside.

For investors, he thought they should learn to place their money more scientifically.

For politicians, he claimed that credit was a delicate and sensitive piece of machinery and should not be clubbed too vigorously with a "big stick."

Mr. Pratt said that one of the great causes of panics was "waste," and that the lesson for women was to learn that the greed for luxury and power was one of the causes of the nervous breakdowns so characteristic of this time.

He drew a special lesson for men from the fact that the immediate cause of the panic was lack of confidence; the result of finding that many were false to their trusts and corrupt in their lives, resulting in a general loss of faith in each other and in themselves.

Locating the Trouble.

George E. Allen, Secretary of the Institute, took as his subject, "What is the Matter with the Banks?" Mr. Allen said nothing was the matter with the banks but the matter was with some bankers, and that the fact that so few bankers went wrong was the reason why breaches of trust of bankers were flashed from one end of the world to the other.

Senator Rathbone Gardner of Providence, told about the work of the receivers in the plans for re-organization of the Union Trust Co., which failed last October with deposits of about twenty millions.

James M. Scott, another of the co-receivers of the Union Trust Co., spoke a few words of greeting and said that there were three attributes for a bank clerk if he wished to be a success: honesty, ability and courtesy.

Mr. Scott also paid a high tribute to Messrs. Pepper of the Industrial Trust Co., and Littlefield of the R. I. Hospital Trust Co., while at the Union Trust Co., representing their respective institutions during the work of re-organization.

Chapter Activities.

On the evening of March 24 a special meeting of the chapter was held. John S. Murdock delivered his final lecture on negotiable instruments: "Negotiable Instruments, Other than Notes and Bills."

Rev. E. F. Sanderson read a very delightful essay on "Sicily," in which he pictured

with eloquence that delightful spot; so renowned in ancient history. His paper was so enthrallingly presented that his audience saw clearly in imagination the glories of what the speaker claimed is the most beautiful spot in the world.

Upon motion of Mr. Harrington, it was voted that Providence chapter place in nomination before the convention to be held in our city next July, the name of Mr. E. A. Havens, so well and favorably known throughout the width and breadth of the chapters, as a candidate for trustee. This motion was seconded, heartily endorsed and unanimously carried.

The test for places on the debating team against New York chapter on the question "Resolved, That the best interests of the country demand Government guarantee of bank deposits" (Providence chapter defending the Negative side) resulted in the selection of Messrs. Hall, Meader and Eddy, with Armstrong as alternate.

Charles L. Eddy, Secretary.

March 28, 1908.

FRANKLIN L. JOHNSON

Candidate of the St. Louis Chapter for President of the Associated Chapters.

MR. JOHNSON was born in Decatur, Illinois, where his father, Milton Johnson, has been engaged in the banking business for the past thirty-seven years, being now president of the Citizens National Bank of that city. The subject of the sketch attended the grammar and high schools at Decatur, and college at the Northwestern University, Evanston, Illinois, receiving his degree, B.S. (Bachelor of Science) in 1894. In college he was a member of Beta Theta Pi and at graduation was elected to Phi Beta Kappa, the honorary scholarship fraternity. His major work in college was in economics and banking, and in the year of graduation he won the N. W. Harris prize for the best thesis on the subject of banking. His first banking experience was in the private bank of J. Millikin & Company, Decatur, Illinois, where he served afternoons while in high school.

In the fall of 1894, Mr. Johnson went to St. Louis and entered the National Bank of Commerce, where he served in various capacities for thirteen years. Last year he entered the service of the Mercantile Trust Company as traveling representative, which position he now occupies.

Mr. Johnson has been interested in the work of the American Institute of Banking since its organization, and has served the St. Louis Chapter as Vice-President, President and Chairman of its Educational Committee. At the annual meeting of the Institute at Hot Springs, Va., in 1907, he

was elected Trustee. Mr. Johnson has attended all of the conventions of the Institute. This year the St. Louis Chapter has presented his name to the Institute as its candidate for President at the coming election.

SUCCESSFUL BANQUET AT SPRINGFIELD.

SPRINGFIELD Chapter held its annual banquet March 28, when over 225 bankers, bank clerks and business men heard excellent addresses by well-known men who spoke on subjects of interest and vital importance to bankers and banking. Alexander Gilbert, president of the New York clearing-house; Sereno S. Pratt, editor of the "Wall Street Journal;" Prof. Joseph French Johnson, dean of the New York University School of Commerce, Accounts and Finance; and Charles H. Marston, auditor of the National Shawmut Bank of Boston, were the speakers of the evening. Charles W. Bosworth, president of the Union Trust Company was toastmaster.

The speakers, while diverse in their opinions in some particulars, were in accord in the larger and more important principles. Our national bank system came in for some criticism. The necessity for a big central bank was emphasized by Mr. Gilbert, who spoke plainly in disfavor of the Aldrich bill. The panic from which the country has now to recover was often spoken of and lessons indicated from the experience which it has given. The great importance of the banker's place in the economic system of the world, with deep, outreaching influence upon the whole well-being of the people, was plainly shown. Nowhere appeared any earnest defense of the Aldrich bill, although defects of a serious and fundamental nature were indicated.

New Chapter Formed.

The St. Joseph (Mo.) Bank Clerks Association is to be affiliated with the American Institute of Banking. The St. Joseph oraginzation has one hundred members. The present officers of the association are: President, C. L. Hutchison; vice- president, H. F. Fuelling; secretary, I. W. Strickler; treasurer, M. L. Chute.

ON THE TOPMOST TWIG.

RICHES have wings, but they always roost on the highest branches. —*Puck.*

A NEW DISCOVERY PROTECTING THE BANKS.

RECENT forgeries of letters of credit exactly imitated by the photographic process, by which a number of banks, one in New York city and others in Europe, have been defrauded of large amounts of money, also forgeries and raising the amount on checks and forgeries of documents, certified checks, and the imitation of signatures, show that an improvement of the present system and method of printing plain safety tints on checks and other financial documents is desirable.

The old process of printing checks or other money orders with expensive engravings is of no use, as any engraving can be imitated by the photo-engraving process, or lithography, or other devices now in use.

As far as the printing of colors is concerned, to imitate it is naturally an easy matter, including the paper which is readily obtained by the quantity at any time.

Consequently, banks, corporations and business men are always in danger of being swindled out of vast sums of money.

To distinguish a forged money document requires knowledge of the different arts of engraving, of printing, of colors, and of the paper.

A manufacturer of safety inks, after experimenting for nearly three years, has succeeded in discovering a "Sensitized Safety Printing Ink" for checks, which can be used on the lithographic power press, as well as on other printing presses.

With this safety ink, the printer is enabled to print tints in pantograph designs as undergrounds on checks and documents in such colors as will render it impossible to copy or replace the pantograph design by the forger, by hand or by the photographic process.

Any erasures on the check can be detected at once with the naked eye, or by holding the paper towards the light.

REDEEMS IN GOLD.

IN a paragraph in a recent number of THE BANKERS MAGAZINE reference was made to the sentimental value of a bank's keeping its reserves in gold. The point of this reference seems to be duly appreciated by the First National Bank of Brazil, Indiana, which announces: "This bank redeems its circulating notes in gold coin at its counter," thus going even beyond the requirements of the law, which only calls for redemption in "lawful money."

ALL BOOKS MENTIONED IN THESE NOTICES WILL BE SUPPLIED AT THE PUBLISHERS' LOWEST RATES BY THE BANKERS PUBLISHING COMPANY, 90 WILLIAM STREET, NEW YORK.

From Sail to Steam. By Captain A. T. Mahan. New York: Harper & Brothers.

Captain Mahan tells an interesting story of life at the Naval Academy in the late '50s and gives an account of the last days of the sailing vessels which filled so important a place in American history in the earlier years of the Republic. Captain Mahan remarks that, "A captain who fought the invincible Armada would have been more at home in the type of warship of 1840 than the average captain of 1840 would have been in the advanced types of the American civil war." After graduating from the Naval Academy, Captain Mahan took an active part in the war of the rebellion and at its close made a trip around the world in a vessel which was one of the first to use steam as a motive power. He tells a most interesting story, and one which is peculiarly applicable at the present time. The book is not in any sense technical, as its title might imply, and the narrative is interspersed with numerous anecdotes, while its description of life on a sailing vessel is graphic and entertaining.

+

The Flying Cloud: *A Story of the Sea.* By Morley Roberts. Boston: L. C. Page & Co.

Mr. Roberts' book is described as much more than a ripping good sea story such as might be expected from the author of "The Promotion of the Admiral." In "The Flying Cloud" the waters and the winds are gods personified. Their every mood and phase are described in words of telling force. There is no world but the waste of waters.

+

The Lady of the Blue Motor. By G. Sidney Paternoster. Boston: L. C. Page & Co.

An up-to-date automobile story—a tale of adventure in which the heroine bears all the hall marks of an adventuress, but in the face of all evidence is proven not guilty. She is identified throughout the story with a blue motor car, which gives the book its name.

The Currency Problem and the Present Financial Situation: A Series of Addresses Delivered at Columbia University, 1907-1908. New York: The Columbia University Press. (Price $1.25.)

These addresses, representing the views of practical experts, will be found of great educational value. A mere list of the titles of the papers, and their authors, will indicate the scope of the volume and its authority. Edwin R. A. Seligman, professor of political economy in Columbia University, contributes the introduction and deals with "The Crisis of 1907 in the Light of History." The other papers, and their authors, are: "The Modern Bank," Frank A. Vanderlip, vice-president National City Bank, New York; "The Stock Exchange and the Money Market," Thomas F. Woodlock, former editor "Wall Street Journal;" "Government Currency vs. Bank Currency," A. Barton Hepburn, president Chase National Bank, New York; "Gold Movements and Foreign Exchanges," Albert Strauss, of Messrs. J. & W. Seligman & Co., New York; "The New York Clearing-House," William A. Nash, president Corn Exchange Bank, New York; "Clearing-Houses and the Currency," James G. Cannon, vice-president Fourth National Bank, New York; "American and European Banking Methods and Bank Legislation Compared," Paul M. Warburg, of Kuhn, Loeb & Co., New York; "The Modern Corporation," by George W. Perkins, of Messrs. J. P. Morgan & Co., New York.

It is interesting to note that Professor Seligman attributes crises to a capitalization of our expectations and the shock caused by the necessary readjustment to realization.

The discussions in these papers represent the views of some of the best-known authorities in the United States, and contain information of lasting worth to all students of finance. We particularly commend the address of Mr. Paul M. Warburg. It is the ablest analysis of our banking and currency problems that we have seen.

A SHORT HISTORY OF OUR OWN TIMES. By Justin McCarthy. (Revised edition; price $1.50.)

While this is called a history, and in fact it does consider in a general way most of the important events of the Victorian reign, it is, essentially, a history of English Parliamentary life, of which the author has been a careful observer, having been a member of the House of Commons for many years.

There is history enough to furnish accurate information of the progress of the British Empire under the rule of Queen Victoria, but there is, fortunately an absence of those details—particularly of accounts of military exploits—with which history is so often burdened.

The portraits of the men prominent in English political life during the period embraced in the "Short History" are strikingly and delightfully drawn, and the volume, on the whole, is most interesting and instructive to all who are concerned with the actualities of life.

+

THE LAW OF PRIVATE TRADING PARTNERSHIP, Including the Limited Partnership Act of 1907. By James Walter Smith, L.L.D., London: Effingham Wilson.

This is an explanation of the English laws governing private partnerships, and embodies changes in the laws made since previous editions were published.

+

THE ECONOMIC HISTORY OF THE UNITED STATES. By Ernest Ludlow Bogart, Ph.D., Princeton University. New York: Longmans, Green & Co. (Price $1.75.)

A book of this character has long been needed. It presents a complete economic history of the country from the time of its settlement to the present, and will be of great value to the student who wishes to gain a knowledge of our economic development by studying its history.

Professor Bogart's work is free from individual bias, and is for that reason alone superior to most works presenting the subject of political economy from a theoretical standpoint.

+

THE FINANCIAL DIARY, 1908. New York: The Financial Calendar Co.

A compilation of information regarding stocks, showing rates of dividends, transfer offices, etc.; also accrued interest tables and other financial data.

LAW OF CHECKS, NOTES AND BANKS. By Thomas C. Simonton. Price $4.00. New York: Firm of Victor Van Horen.

The author has compiled, in a convenient form, the principles of law applicable to checks, notes and drafts, as well as to banking. It is a volume that should prove of practical usefulness to all banking institutions.

+

NEW YORK STATE LIBRARY YEAR-BOOK OF LEGISLATION, 1906. Edited by Robert H. Whitten, Albany; New York State Education Department. Price, $1.00.

This is a brief compilation of the legislation of all the states in the year 1906.

+

LIPPINCOTT'S NEW GAZETTEER: A Geographical Dictionary of the World. Edited by Angelo and Louis Heilprin. Philadelphia: J. B. Lippincott Co.

A volume of the utmost practical value to a great variety of readers is Lippincott's New Gazetteer, edited by Angelo and Louis Heilprin. It is a formidable volume and its size indicates how thoroughly the object of the publication has been accomplished. The book is an accurate picture of every corner of the globe in its minutest details as it exists in the twentieth century. Statistics of population, production, mining, manufactures, physical history, exploration, general history, etc., have been gathered from the latest official censuses, domestic and foreign. Each one of its 100,000 notices, varying in length from a single line to thousands of words, speaks for itself. A vast amount of labor has been expended in search of special information not to be found in official reports or the ordinary books of reference. The Gazetteer will be found especially useful to bankers whose relations with banks and business houses in distant parts of the country, and of the world, frequently require prompt information regarding cities and towns as to population, business facilities, industrial development and the like. The Gazetteer is bound in sheep, half russia or three-quarter levant, the prices being $10, $12.50 and $15, respectively. The character and standing of the editors and publishers of this standard work are a sufficient guarantee of its accuracy and value.

+

BOOKS RECEIVED.

PROCEEDINGS OF THE OHIO BANKERS' ASSOCIATION, 1907.

PROCEEDINGS ANNUAL CONVENTION AMERICAN BANKERS ASSOCIATION.

A PROMINENT NEW YORK CITY BANKER.

ONE of the well-known and successful young bankers of New York city is Mr. Oscar L. Gubelman, a partner in the banking house of Knauth, Nachod & Kuhne.

Mr. Gubelman was born in Jersey City May 2, 1876, and was educated in the public school and high school of that city and at Stevens Institute of Technology, Hoboken, N. J.

His banking career began in the Third National Bank of Jersey City, where he served as messenger boy from January, 1893, to July, 1894. Then he entered the United States Mortgage and Trust Company of New York as loan clerk, serving

OSCAR L. GUBELMAN
Of Knauth, Nachod, and Kühne.

afterwards in several other capacities. At the time he left this company—January, 1900—he was its cashier. On leaving the United States Mortgage and Trust Co. he took part in organizing the Commercial Trust Company of New Jersey, of which he became secretary and treasurer, and later was elected vice-president, holding this office until March, 1904, when he became vice-president of the Guaranty Trust Company of New York, remaining here until February, 1907, when he entered the well-known international banking house of Knauth, Nachod & Kuhne as a partner.

It will be seen that Mr. Gubelman has had an extensive banking experience, and has held a prominent official position in institutions of high reputation and large business. He is at present a director of the Commercial Trust Company of New Jersey, Mechanics' Trust Company of Bayonne, N. J., Orange (N. J.) National Bank, Underwood Typewriter Co., Electric Securities Corporation, Union Gas and Electric Co., and other corporations. His social disposition is evidenced by membership in the Lawyers' Club, Railroad Club, Essex County Country Club, Automobile Club of America, Deal Country Club, and Jersey City Club.

Mr. Gubelman lives at West Orange, N. J., where he is more or less interested in local Republican politics.

THE ALDRICH BILL.

On March 27 the Senate passed the Aldrich currency bill by a vote of 42 to 16.

As passed the bill provides for not more than $500,000,000 of emergency currency to be issued to national banks upon deposit by them of state, county and municipal bonds to be approved by the Secretary of the Treasury. The currency is to be issued with a view of securing an equitable distribution of the currency over the United States and in accordance with the unimpaired capital and surplus of banks in each state. Banks are to pay for this emergency circulation one-half of one per cent. a month during the first four months it is circulated and afterwards three-quarters of one per cent. a month.

The bill provides that national banks shall pay not less than one per cent. on Government funds deposited with them.

As amended the bill carries an important change in banking laws relating to bank reserves. This amendment provides that of the fifteen per cent. reserve required to be kept by banks not in reserve cities four-fifths is to be kept in the vaults of the banks, and of that amount one-third can be in the form of securities of the kind required.

By another amendment the period during which one-half of one per cent. interest is to be charged was reduced from six to four months, after which three-quarters of one per cent. is to be charged until redeemed.

At the instance of Mr. La Follette an amendment was adopted prohibiting any national bank from investing its funds in stocks or other securities of a corporation the officers or directors of which are officers or directors of the bank, and providing a penalty of imprisonment of from one to five years.

An amendment by Mr. La Follette to punish by from one to five years' imprisonment any falsification in bank securities was adopted.

ALL BANK FAILURES DECLARED TO BE FRAUDULENT.

One of the ablest bankers this country has produced was Hugh McCulloch, the first Comptroller of the Currency, and twice Secretary of the Treasury. In his "Men and Measures of Half a Century" he has the following to say regarding bank failures:

On the first day of January, 1857, the Bank of the State of Indiana, with a capital of two millions of dollars, soon to be increased to three million, commenced its short but honorable career. In the negotiations between the buyers and sellers, three of the branches were not included in the sale, and these remained in the hands of the original owners. Respectable and intelligent men they were, but I soon discovered that their notions of banking were widely different from mine. To them a bank was an institution, the officers and directors of which were to be privileged borrowers. Time and discipline, and in one instance, the exercise of the plenary power of the Board of Control (the directors of the bank) were required to make such men comprehend the simple but all-important principle that lenders and borrowers could not safely be the same persons, and that in this bank men whose necessities or business required that they should be borrowers from the branches ought not to be, and would not be permitted to be, their managers. Bank failures are invariably the result of a disregard of this rule. No bank in the United States, the capital of which was a cash reality, and whose managers were not thieves or the borrowers of its money, has ever failed. All bank failures are fraudulent, either by mismanagement or deception in regard to capital, and all who are responsible for such failures are betrayers of trusts, and should be punished as criminals.

MODERN FINANCIAL INSTITUTIONS AND THEIR EQUIPMENT

UNION TRUST COMPANY, WASHINGTON, D. C.

PERHAPS no other bank in this country can boast of a more magnificent and luxurious building than the one which has been the home of the Union Trust Company of Washington since last December.

The structure is indeed a work of architectural beauty and is one of the striking edifices now adorning the "Wall street of Washington."

It stands at the corner of fifteenth and H streets N. W. in the very heart of the uptown business and banking section, and will be for many years one of the pleasing sights of the Capital city.

Pure, white, North Carolina granite has

Union Trust Company, Washington, D. C.

been used in the construction of the exterior walls, which are nine stories high and are surmounted by graceful cornices of the same material.

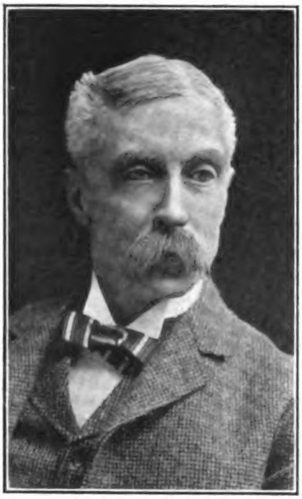
The flatness of the walls is further relieved by immense pillars wrought in between the third and eighth floors, which give the structure that air of perfect proportions so seldom found in our modern buildings. In planning this magnificent building, the architects have taken advantage of the shape of the lot upon which it stands, and have built it in the form of the letter L, so that practically all offices throughout the building have outside light and air.

One arm of the L, that extending towards Fifteenth street, is occupied by the real estate offices of Thomas J. Fisher Company, but all the remaining floor space is devoted to the use of the Union Trust Company.

A great, wide lobby, richly finished in Norwegian marble and bronze, gives entrance to the banking rooms and the stairway leading above. Going up five steps and through the massive bronze gates, one enters the lofty banking room of the Union Trust Company. This room is 50 by 100 feet and 50 feet high, taking the space of three stories.

EDWARD J. STELLWAGEN
President Union Trust Co.

All the devices known to art have been employed to make this interior both pleasing to the eye and convenient for the transaction of business. And upon entering the public space, one realizes that the architects have succeeded admirably, for it is hard to see how any more restful or well ap-



COL. JAMES G. PAYNE
1st Vice-President.

GEO. E. HAMILTON
2d Vice-President, Attorney and Trust Officer.

EDSON B. OLDS
Treasurer.

GEO. E. FLEMING
Secretary.

J. H. SMALL, JR.
Member Executive Committee.

FREDERICK B. McGUIRE
Member Executive Committee.

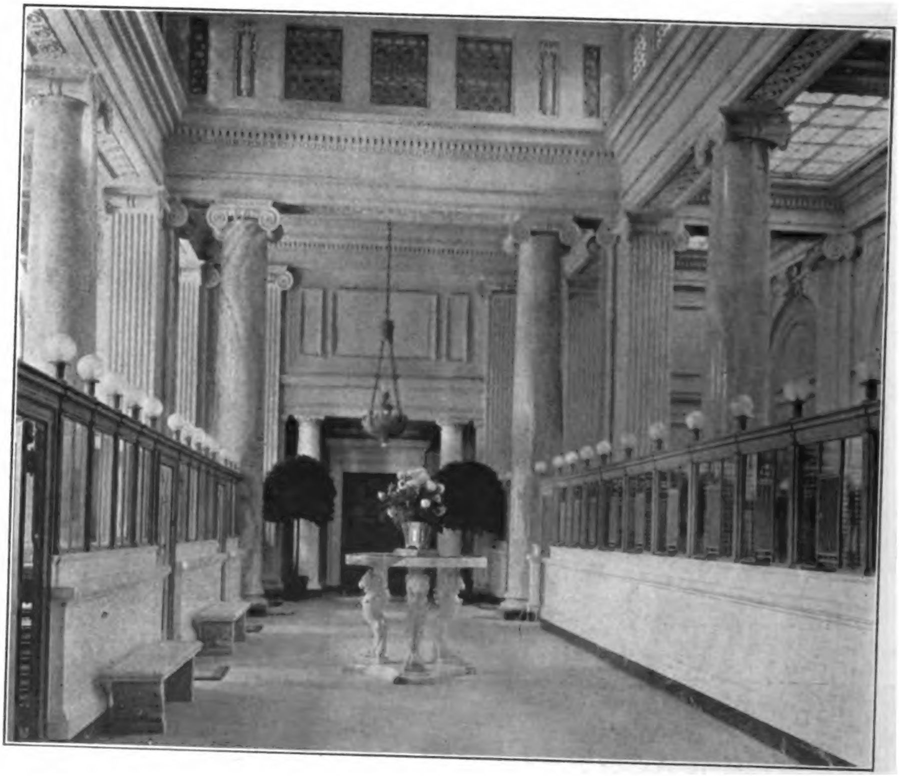
OFFICERS UNION TRUST COMPANY, WASHINGTON, D. C.

pointed counting rooms could possibly be planned.

Great intersecting beams are supported by graceful columns of green marble, while the highest part of the ceiling is richly decorated and painted to harmonize with the general color scheme used throughout.

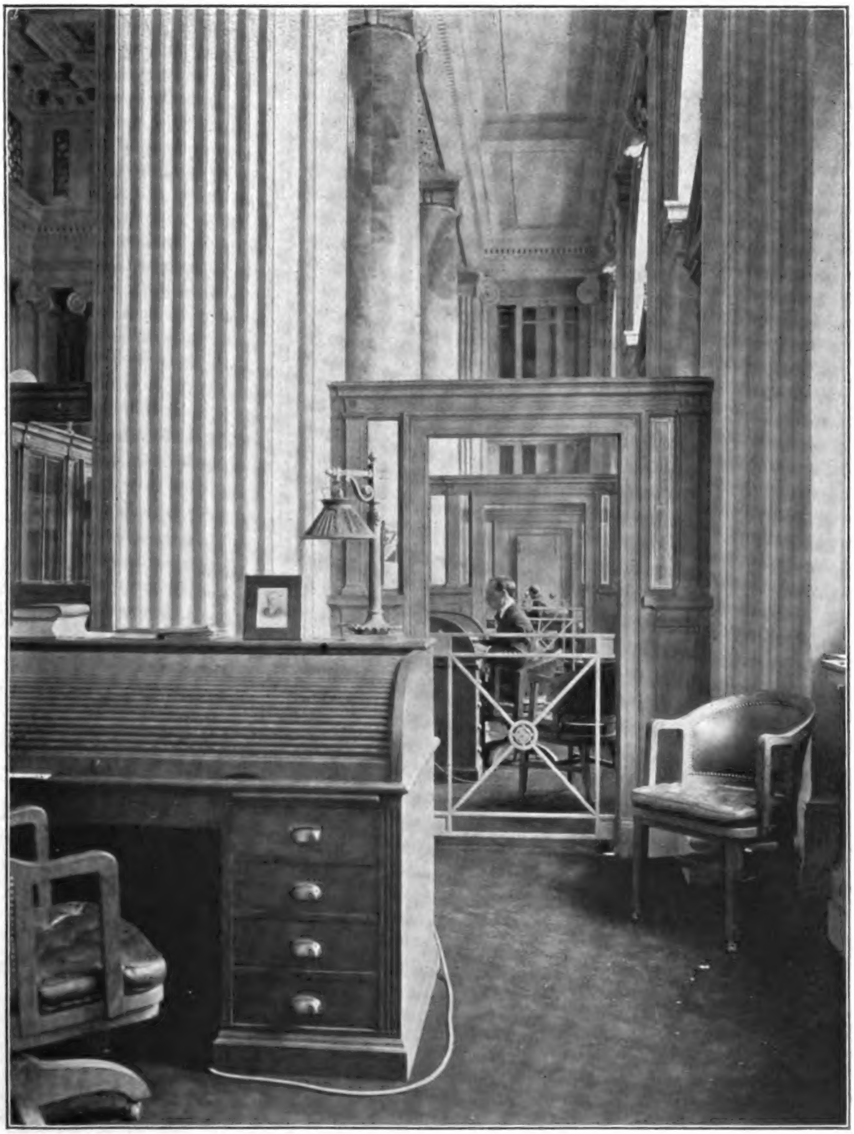
One remarkable feature of this room is that it is so light. Very few examples of lofty banking rooms, on top of which are placed tiers of utilitarian offices of the modern sky-scraper, are to be found which are not dark and have to be lighted artificially.

With the exception of the Norwegian white marble used in the banking counter screen, the marbles throughout the building are of native varieties. The floor space is divided in the middle by the public space, which is as liberal as is found in any of the banks, and is approached by the public at either side. On the west side of this space are the tellers, bookkeepers, auditor, and treasurer. On the opposite side



Banking Room.

Entrance to Office Building.



Vista from President's Outer Office.

are the officers of the trust company in luxuriously appointed rooms.

The safe deposit department and vaults are on the same floor level, a feature which few banks and trust companies possess, and should recommend itself to the public, for ease of access and completeness of appointments.

The ladies' department is near the H street entrance, and has a separate teller's window for their use. It is screened off in glass to separate it from the public space and thus to give it that degree of privacy which is necessary.

All other details of construction and furnishing have been just as carefully looked after and the result is a bank home that officers of the company may well be proud of.

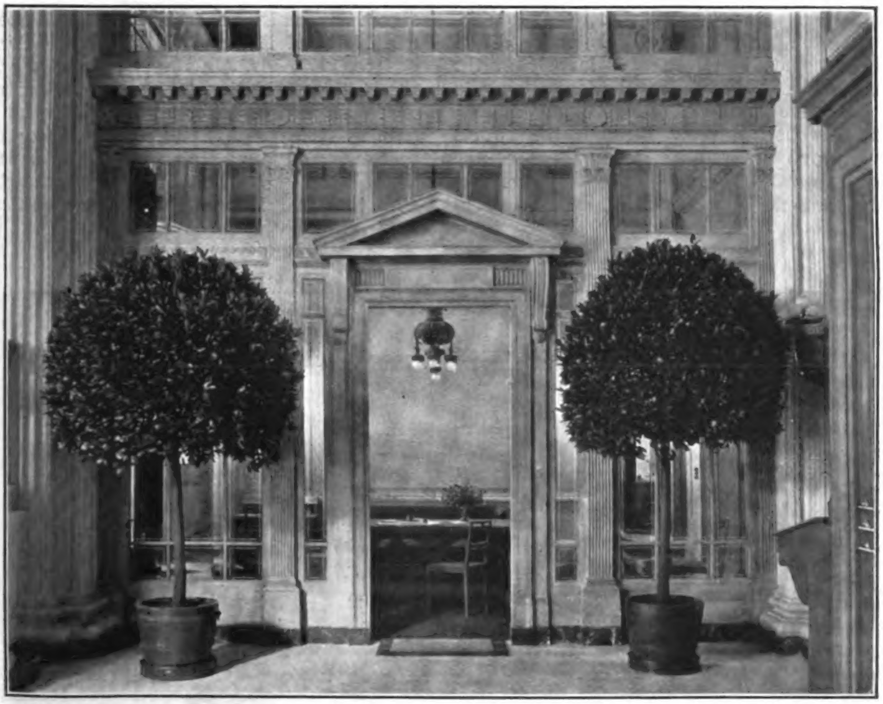
The Union Trust Company was organized in December, 1899, under the name of the Union Trust & Storage Company, with these officers: Edward J. Stellwagen, president; James G. Payne, first vice-presi-

President's Private Room.

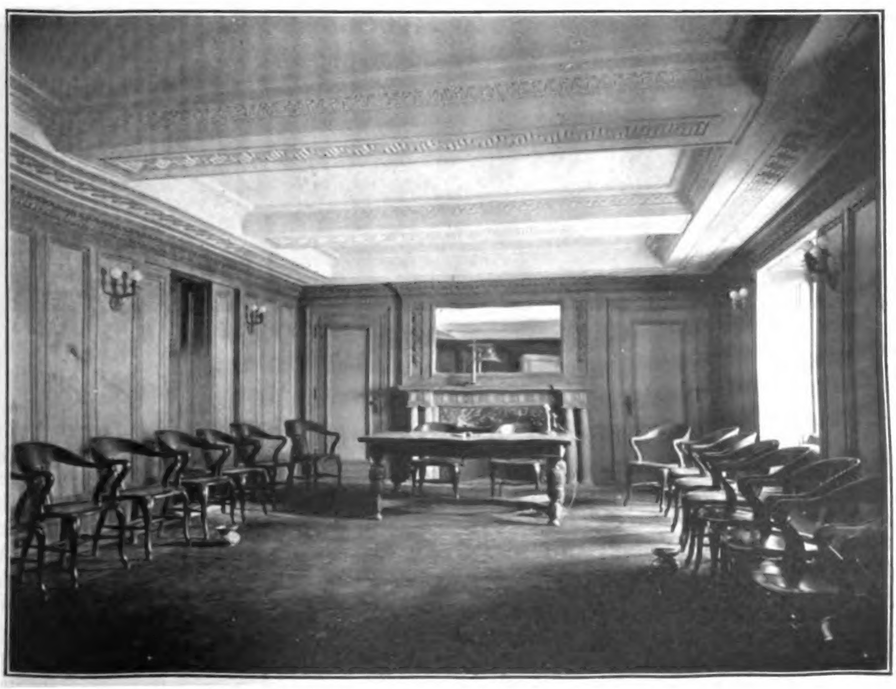
dent; George E. Hamilton, second vice-president, attorney, and trust officer; George E. Fleming, secretary, and Charles S. Bradley, treasurer. Later Harry O. Wilson was made assistant treasurer; W. F. D. Herron, auditor, and Edward L. Hillyer, assistant secretary, while Edison B. Olds, upon the resignation of Mr. Bradley, became treasurer.

The corporate name and business so continued until February, 1905, when by special act of Congress the word "storage" was eliminated from the title and the warehouse business operated as a department of the trust company. In July, 1906, by special resolution of the stockholders, this department of the company's business was sold to the Terminal Storage Company, the Union Trust Company obtaining therein a stock representation.

Since 1900 the officers and directors have been planning for the erection of such a home as they now have and this was made possible during the past year by increasing the capital stock from $1,200,000 to $2,000,000.



Ladies' Room.



Directors' Room.

Operating in the District of Columbia, The Union Trust Company is under direct Federal control and engages largely in the management of estates, besides doing a conservative banking business.

It has been largely through the efforts of Edward J. Stellwagen, president of the Union Trust Company since its organization, that the new home stands completed today, a credit to its officers and stockholders.

Safe Deposit Room and Vault.

Mr. Stellwagen is a member of the Bar of the District of Columbia and also president of the Thomas J. Fisher Company, Incorporated. He has always directed the business of his bank with discretion and wisdom and today may feel justly proud of the splendid record of achievement that lies behind it and look with satisfaction upon its future prospects.

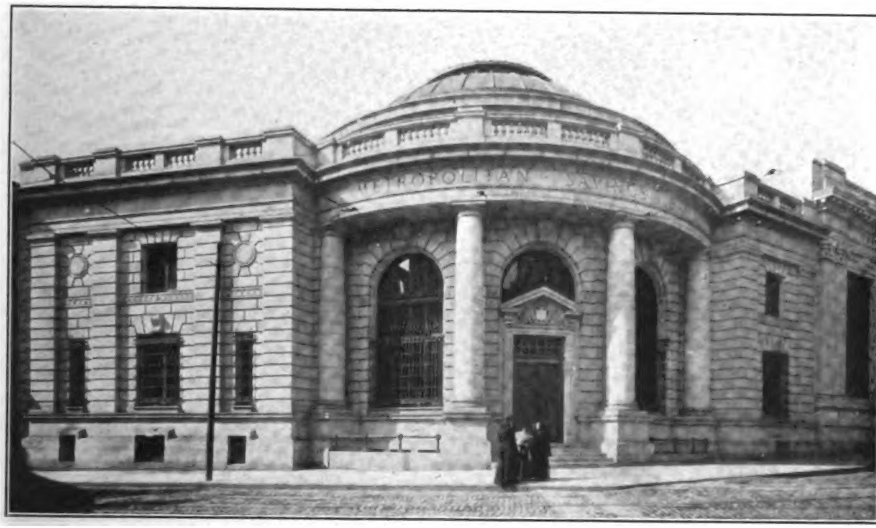
Edson B. Olds has been treasurer of the company since 1904, in which year he resigned as assistant cashier of the American National Bank of Washington. Previous to 1903, Mr. Olds was connected with the Citizens National Bank; for sixteen years as paying teller and eight years as cashier. George E. Fleming has been secretary of the Union Trust Company since 1899. He was formerly connected with the Real Estate Title Insurance Company, and is still a director of that company. Mr. Fleming was admitted to the Bar of the Supreme Court in the District of Columbia in 1890, and is a very valuable addition to the bank he is now serving. With such competent men as these at the helm, and with greater facilities afforded by the new quarters for enlarging its business, the Union Trust Company of Washington is entering upon a period of prosperity greater than any heretofore enjoyed by it.

METROPOLITAN SAVINGS BANK, BALTIMORE.

THE Metropolitan Savings Bank of Baltimore began its career as a banking house August 5, 1867, in a basement room of the Chesapeake Bank building. It was known at that time as the Beneficial Savings Fund Society of Baltimore and with Francis Neale as the first president continued under this name until 1873. After seven prosperous years, the bank purchased a building on the corner of Lexington and Calvert streets, which it has occupied ever since.

The new building erected on the corner of Charles and Saratoga streets is a magnificent one-story structure of Troy white granite, absolutely fire-proof. All the floors and stairs are of reinforced concrete and the windows are protected by metal frames, sashes and wired glass.

In the main counting room all the counters and wainscoting are of marble and the grills are of bronze. Surmounting the central lobby is a great copper-covered dome, finished overhead with ornamental tiles, and giving the interior an air of comfort and beauty. Great care has been exercised in planning the arrangement of the different offices, both for convenience and for good lighting, and in this the architect has succeeded admirably.



Metropolitan Savings Bank, Baltimore, Md.

The bank is also equipped with the most approved heating system, electric burglar alarm protection, and massive steel vaults, weighing many tons. C. C. Shriver is president and James J. Ryan is treasurer, both men having served in these capacities since 1888.

TRADERS BANK OF CANADA.

AN excellent report was submitted by the Traders Bank of Canada at its twenty-third annual meeting held in Toronto December 31, 1907.

Net profits for the twelve months, after making provision for all bad and doubtful debts and reserving accrued interest, amounted to $522,822.81. The premium on new stock was $2,520, and the balance carried from the profit and loss account of last year was $44,349.87, bringing the total amount available for distribution up to $569,692.68.

The Rest Account has been strengthened by the addition of $100,000, which brings it up to the gratifying figure of $2,000,000.

Traders Bank of Canada.— Head Office.

Traders Bank of Canada.—Interior of Head Office.

During the year the sum of $304,328.29 was distributed to the shareholders in the form of dividends, leaving $25,364.29 to be placed at the credit of profit and loss new account.

An important change in the management of the bank took place during the year. H. S. Strathy retired from the position of general manager, and was succeeded by Stuart Strathy, who in turn was succeeded as assistant general manager by Norman Hillary. Mr. H. S. Strathy has devoted, and with a large measure of success, many years to the promotion of the interests of the bank. He began as the founder of the bank twenty-two years ago, and continued to perform the duties of general manager with great vigor and success. By his energy and ability, he overcame many formidable obstacles, and on his retirement he has the satisfaction of feeling that he leaves as a legacy to the shareholders a sound and stable banking institution.

One feature of the report, which shows perhaps better than any other the progress of the Traders Bank, is a comparative table giving the increase of capital, rest, circulation, deposits, loans and assets for each year since its inception. The bank began business in 1886 with a capital of $340,000; today it has a capital stock of $4,352,000.

Deposits in 1886 were $578,000 and today they are $23,373,000, an increase of 451 per cent. The head office of the Traders Bank of Canada is established in luxuriously furnished quarters in one of the finest buildings of Toronto. Two views are herewith given, from which we may gain some idea of the exterior and interior of the bank's home.

Thus, with a strong and capable official equipment, with all the interests of the institution in a sound, stable, and healthy condition; with a fairly justified expectation that the somewhat relaxed conditions of prosperity, commercial, industrial, and financial, will be only temporary, it is not unreasonable to anticipate for the Traders Bank a continuation of prosperity, and a repetition in the record of the year to come, of the many gratifying features of the excellent report submitted for 1907.

PAYING BY CHECK IN ENGLAND.

THE high development of the check and deposit system in England was thus explained to a reporter of the Washington "Post" by D. H. Lieban, a retired London banker:

I like the American custom of carrying money loose in the pocket. In England gentlemen and business men carry very little money with them. Nearly everything is paid for by check, except, of course, money enough to pay the small incidental expenses of a day.

If a man goes into a store to buy a hat he does not pay money for it but gives a check. If he is dining at a public place he very likely pays for his meal with a check. The system of credit in England is different from that in this country, and the mere fact that a man has an account in a bank serves to give him standing.

One cannot open an account with a bank in England merely by carrying money to the bank and depositing it. He must have two first class references before a bank will accept his account, and when reference is given it means that the person giving it would indorse or stand for the person to whom it is given.

A reference in England means more than a mere phrase. Cnecks on banks in England cannot be obtained for the mere asking, and a man must have an account in order to get checks from any bank. They cannot be picked up on bank counters or in public places.

Private accounts in English banks are not accepted unless they are paid for, the general charge being £10 a year. There are one or two banks in England which discriminate so carefully in the accounts they accept that when a person is fortunate enough to be permitted to open an account with them he can get credit in any city in England or the continent of Europe.

FOR A CURRENCY COMMISSION.

SPEAKING on his currency bill in the Senate on March 24, Senator Aldrich said:

This bill is for emergency money, to be used whenever emergency arises. It does not treat of banking reform. I realize the necessity of consideration and treatment of that subject and I hope that before this Congress adjourns legislation will provide for a commission—either a commission of Congress or a joint commission.

THE DOLLAR'S BEAUTY.

"WHAT is the most beautiful object you ever saw?"

"A silver dollar when I was broke!"—*Birmingham Age-Herald.*

MONEY, TRADE AND INVESTMENTS

New York, April 3, 1908.

A GENERAL Improvement in sentiment has been apparent in the past month and this has been reflected by a substantial advance in prices of securities. Presidential year is still a bugbear in many minds and not only Wall Street operatives, but business men who never "dabble in stocks," also, are heard to express doubts as to any general or permanent recovery until after the question who shall be the next president is definitely answered.

There is another view, however, that there is so little chance of any one being elected President who may be considered as a serious menace to the prosperity of the country, that the political campaign will not have much of an influence upon business. Still a national election is apt to interfere with the even tenor of business affairs and to some extent will prove detrimental.

However, a more hopeful feeling has developed in the last few weeks than prevailed for a long time previous, and to some degree there has been an improvement in the general situation.

Men in authority are still being berated for the bubble bursting that occurred in the latter part of 1907, as though eleven years of inflation of values, of piling up of baloon fortunes, of the creating out of nothing vast somethings, for which a credulous public paid enormous prices did not naturally enough bring its aftermath of exploded theories and dissipated pipe dreams.

Upon the broad and substantial foundation of prosperity, which no one will deny existed, men built sky scraping structures of so imperfect construction that a single atmospheric wave of distrust was bound to topple them over. But the foundations still endure, and hope that real and genuine prosperity is still with us appears to be justified.

The month has not been very eventful. The money situation steadily improved until call money is now obtainable at less than 2 per cent. The Bank of England reduced its rate of discount from 4 to 3 per cent. last month and the Bank of Germany from 6 to 5 1-2 per cent. These are favorable indications of the situation abroad. It is only about four months since the principal foreign banks were advancing their rates to almost unprecedented figures. On November 6 the Bank of France made its rate 4 per cent., the following day the Bank of England put its rate up to 7 per cent. and the next day after the Bank of Germany named 7 1-2 per cent. On January 23 the Bank of France returned to 3 per cent., the rate adopted by the Bank of England on March 19. A mere reference to these changes is sufficient to indicate the improvement that has taken place abroad.

There is little evidence now of any shortage in the supply of money, although there is no question that would-be-borrowers do not find it always easy to get the accommodations they want. Taking one particular field as illustrative of general conditions, it is very difficult to place a real estate loan in New York City at the present time, even where the security might be considered of an exceptional character. Yet the visible supply of money is on the increase, while the government has been able to withdraw deposits from the banks without causing any disturbance.

In the local banks there has been a further accumulation of reserves and the surplus reserve is again close to $40,000,000, or within about $700,000 of the high point recorded since the heavy deficit of last year. One significant feature connected with the bank situation is the gradual reduction in bank circulation in this city. Between September 30 and January 4 last the national banks in New York increased their circulation nearly $22,000,000 from $50,000,000 to $72,000,000. On March 28th the amount reported was $61,000,000, a decrease since January 4 of $11,000,000, or just one-half of the previous increase. A table herewith shows the amount of circulation of the New York clearing house banks at the end of each month since September 30, and also the total for all the national banks in the country:

	National Bank Notes Outstanding	Increase for Month.	Circulation N. Y. Clearing-House Bank.	Increase for Month.
Sept. 30, 1907	$603,987,114	....	$50,638,500	....
Oct. 31, "	609,980,466	$5,993,352	52,742,900	$2,104,400
Nov. 30, "	656,218,196	46,237,730	62,129,800	9,386,900
Dec. 31, "	690,130,595	33,912,609	71,736,600	9,606,800
Jan. 4, 1908+	....	....	72,316,300	....
" 31, "	695,402,762	5,271,867	69,263,700	*2,472,900
Feb. 29, "	695,674,519	271,757	64,133,600	*5,130,100
Mar. 31, "	696,407,355	732,836	61,042,300	*3,091,300

* Decrease. + Date when New York banks had maximum circulation.

The figures of the New York banks are for dates nearest last day of the month. In the three months ended December 31 the total circulation of all the national banks in the country increased $86,000,000, about 13 per cent. of which was taken out of the New York banks. An additional $6,000,000 has since been issued, but the New York banks have surrendered about $11,000,000.

Bank circulation, however, is in process of reduction, for while the total amount now outstanding is $696,000,000, the largest ever recorded, there is $67,000,000 of lawful money on deposit to retire circulation, an increase of nearly $21,000,000 since December 31. The bond-secured circulation has been reduced $15,000,000 since January 1.

One of the important incidents of the month was a reduction in the dividend of the New York Central Railroad from 6 to 5 per cent. Reports were busy with the Erie Railroad and the possibility of a receiver being appointed for the road.

The President on March 25 sent a special message to Congress suggesting an amendment to the interstate commerce law, giving the railroads undue latitude regarding the making of agreements between themselves. Certain amendments to the anti-trust law were also recommended. The message was generally regarded as conservative.

In the present course of our foreign trade may be traced the influence of recent happenings in the business and financial world. A summary of the monthly imports and exports for a little more than a year past is rather a striking index of the conditions that have prevailed and now exist. An unusual degree of prosperity must have inspired an increase in our imports from $634,000,000 in 1898 to $1,423,000,000 in 1907. Our exports also grew enormously, and in 12 years increased $1,100,000,000. It is the increase in imports, however, more especially in the last four years, which most impressively illustrates the development of the country's wealth.

A most extraordinary change has occurred, its beginning dating from the financial panic of last autumn. The foreign trade movements monthly since January 1, 1907, shown in the accompanying table, will indicate to what extent the disasters of last autumn have communicated their ill effects to our import trade.

Until September last year our imports constantly showed an increase over those of the previous year, the gain being generally about $20,000,000 a month. In September the increase fell to below $4,000,000 and in each of the five months following the comparison with the previous year shows a falling off. In each of the three months from December 1 to March 1 the decrease was over $40,000,000.

Our exports in each of the fourteen months in the table exceeded those of the

	Imports.	Increase over Previous Year.	Exports.	Increase over Previous Year.	Excess of Exports Current Year.	Excess of Exports Previous Year.
January, 1907	$126,586,934	$20,065,409	$189,296,944	$18,693,891	$62,710,010	$64,081,528
February, "	123,005,683	18,772,804	159,517,221	17,750,663	36,511,538	37,533,679
March, "	133,110,170	19,512,593	161,685,228	16,174,521	28,575,058	31,913,130
April, "	129,554,075	22,235,994	157,451,781	13,071,741	27,897,706	37,061,959
May, "	126,512,106	21,602,909	134,759,568	4,211,181	8,247,462	25,639,190
June, "	112,510,215	11,730,144	137,739,630	12,705,647	25,229,415	24,255,912
July, "	124,731,966	22,139,517	128,549,535	16,856,261	3,817,569	9,100,825
August, "	125,806,043	20,109,028	127,270,447	*2,531,021	1,464,404	24,104,453
September, "	106,365,180	3,746,857	135,318,342	*3,178,612	28,953,162	35,878,631
October, "	111,912,621	*6,215,731	180,253,296	*7,100,052	68,340,675	69,224,996
November, "	110,942,916	*8,813,427	204,464,217	21,808,532	93,521,301	62,899,342
December, "	92,247,984	*42,101,776	207,129,996	16,730,019	114,882,012	58,050,217
January, 1908	84,994,123	*41,592,811	206,189,926	16,892,982	121,195,803	62,710,010
February, "	79,124,401	*43,881,282	167,867,762	8,350,541	88,743,361	36,511,538

* Decrease.

corresponding months in the previous year with the exception of the three months, August, September and October, when there was a small decrease. Since October the export tradé has kept up in most encouraging shape.

The net balance of exports over imports was showing a decrease prior to November last, June being the only month in which the balance was larger than in the previous year, and that increase being only $1,000,000. In the four months ended February 29 the balance was $418,000,000 as compared with $218,000,000 in the same time a year ago. This difference of $200,000,000 tells the story of curtailment in American buying abroad. This falling off in imports has cost the government $22,000,000 in customs revenues in the four months with an additional decrease of $7,000,000 reported in March.

The fact that the revenues of the government are running much below the expenditures is beginning to attract attention. For four consecutive months there has been a deficit of $8,000,000 to $9,000,000 per month reported, while for the nine months of the current fiscal year the deficit was nearly $36,000,000. There is a possibility therefore of a deficit for the full year of $50,000,000. In the year ended June 30, 1907, there was a surplus of $84,000,000. A change so striking calls for some explanation.

For the nine months of the present fiscal year a deficit of nearly $36,000,000 is shown as already mentioned. In the corresponding period of 1907 there was a surplus of $51,000,000. This revolution in the government's finances is traceable to a decrease of $32,000,000 in revenues and to an increase in expenditures of $55,000,000. Of the latter $13,000,000 was in "civil and miscellaneous," $4,000,000 for war, $16.000,000 for navy, $11,000,000 for pensions and $16,000,000 for public works. The only classes showing a reduction are Indians, $100,000, and interest, $5,000,000.

The ordinary revenues last year were larger than in any previous year even in war times, and the revenues this year will closely approximate the highest previous total with the exception of 1907. But the expenditures have kept pace with the growing revenues, and consequently a falling off in the latter promptly brings out a deficit. One-third or more of the total revenues go to war and navy disbursements. The latter are now equal to 60 per cent. of the total revenues of the government fifteen years ago.

A table herewith shows the total revenues and expenditures of the government yearly since 1892, also the amount spent annually for war and navy purposes. It will be noticed that from 1892 to 1897 the war and navy expenses were in the neighborhood of $80,000,000 a year. In 1898 they jumped to $150,000,000 in consequence of the war with Spain, increasing in the following year to $293,000,000. In no year since have these expenditures fallen below $180,000,000, while in the last five years they have ranged from $200,000,000 to nearly $240,000,000 a year. They will probably go to $250,000,000 this year. It is rather a remarkable fact that from January 1, 1894, to the present time the net surplus revenues of the government have amounted to only about $60,000,000. For a government which once paid off its debt at the rate of $100,000,000 or more per annum, while paying as much more annually for interest, such a showing as that of the past fifteen years is not such as to call for self congratulation.

But what is to be the result of the present drain of revenues? Is the history of 1894 and 1895 to be repeated? Not as to the exhaustion of the gold reserves of the Government. That would seem to be certain. The Treasury now has a cash balance of $412,000,000, of which $150,000,000 is a gold reserve held exclusively for the redemption of notes. This is besides $835,000,000 gold held for the redemption of gold certificates. The clear surplus over

	Revenues.	*Expenditures.*	*Excess of:*		*War and Navy Payments.*
1892	$354,937,784	$345,023,330	Revenues	$9,914,454	$76,069,585
1893	385,819,628	383,477,954	"	2,341,674	79,777,857
1894	297,722,019	367,525,279	Expenditures	69,803,261	86,269,223
1895	313,390,075	356,195,298	"	42,805,223	80,632,554
1896	326,976,200	352,179,446	"	25,203,246	77,978,658
1897	347,721,905	365,774,159	"	18,052,254	83,511,814
1898	405,321,335	443,368,582	"	8,047,247	150,815,985
1899	515,960,620	605,072,179	"	89,111,559	293,783,358
1900	567,240,851	487,713,791	Revenues	79,527,060	190,727,845
1901	587,685,337	509,967,353	"	77,717,984	205,122,675
1902	562,478,233	471,190,857	"	91,287,376	180,075,344
1903	560,396,674	506,099,097	"	54,297,667	201,237,554
1904	540,631,749	582,402,321	Expenditures	41,770,571	217,991,512
1905	544,274,684	567,278,913	"	23,004,228	239,725,382
1906	594,454,121	568,784,799	Revenues	25,669,322	230,870,897
1907	663,140,334	578,903,747	"	84,236,586	219,704,934

MONEY RATES IN NEW YORK CITY.

	Nov. 1.	Dec. 1.	Jan. 1.	Feb. 1.	Mar. 1.	April 1.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Call loans, bankers' balances	6 —20	5½—12	8 —18	1½—2	1½—2	1½—2
Call loans, banks and trust companies	....	....	....	1½—	1½—2	1¼—½
Brokers' loans on collateral, 30 to 60 days	6½- 7	....	12 —	3 — ½	4 —	3 —
Brokers' loans on collateral, 90 days to 4 months	6½—7	12—15	10 —	3 — ½	4 —¼	3¼- 4
Brokers' loans on collateral, 5 to 7 months	6½- 7	....	7 —8	4½—	4½—¾	4 —
Commercial paper, endorsed bills receivable, 60 to 90 days	7 —	7 —7½	8 —½	5½—6	4½—5	5 —¼
Commercial paper, prime single names, 4 to 6 months	7 —	7 —7½	8 —½	5½—6	5 —½	5½—
Commercial paper, good single names, 4 to 6 months	7 —	8 —	9 —	6 — ½	5½—6	—

and above the reserve fund is $262,000,000, and to exhaust this would require more than two years of deficits as large as those now being reported. While, therefore, there is witnessed the spending of more money than is received, the necessity of selling bonds as in 1894 and 1895 to replenish the depleted funds of the Treasury does not seem to be imminent.

THE MONEY MARKET.—The call money market is abnormally low and the prospect of easy money for some time to come appears excellent. The demand for commercial paper is still light and rates are well maintained. At the close of the month call money ruled at 1 1-2@2 per cent., with the majority of loans at 1 3-4 per cent. Banks loaned at 1 1-4 per cent. and trust companies at 1 1-2 per cent. as the minimum. Time money on Stock Exchange collateral is quoted at 3 per cent. for sixty days, 3 1-4@3 1-2 per cent. for ninety days, 3 3-4 @4 per cent. for four months and 4 per cent. for five to six months on good mixed collateral. For commercial paper the rates are 5@5 1-4 per cent. for sixty to ninety days' endorsed bills receivable, 5 1-2 per cent. for first-class four to six months' single names, and no quotations for good paper having the same length of time to run.

NEW YORK BANKS.—The statements of the New York clearing house banks based on average conditions show that in March loans increased $3,000,000, deposits $22,000,000, reserves $16,000,000, and surplus reserve $10,500,000. The actual figures show that the loans, deposits and reserves were all higher at the end of the month than the average figures indicated. The deposits now exceed the loans by $28,000,000 and the surplus reserve is nearly $40,000,000, or very nearly as large as it was on February 1. The resumption of the Knickerbocker Trust Company in the latter part of the month has caused a large increase in the figures reported by the banks and trust companies outside of the clearing house. Loans of these institutions show an apparent increase of $43,000,000 and net deposits of $34,000,000.

FOREIGN BANKS.—The only important changes in the gold holdings of the leading

NEW YORK CLEARING HOUSE BANKS—AVERAGE CONDITION AT CLOSE OF EACH WEEK.

DATES.	Loans.	Specie.	Legal tenders.	Net Deposits.	Surplus Reserve.	Circulation.	Clearings.
Feb. 29...	$1,161,057,700	$261,318,200	$59,850,400	$1,167,623,700	$29,262,675	$64,183,600	$1,255,513,900
Mar. 7...	1,164,349,200	265,288,700	58,772,400	1,175,700,500	30,135,975	62,162,300	1,150,799,700
" 14...	1,160,719,500	264,496,400	59,126,000	1,171,829,300	30,665,075	61,406,200	1,244,089,500
" 21...	1,161,653,600	271,990,000	60,954,500	1,182,080,200	37,424,450	61,245,000	1,387,443,800
" 28...	1,164,539,700	275,210,100	61,912,000	1,189,334,300	39,788,525	61,042,300	1,315,617,500

NEW YORK CLEARING HOUSE BANKS—ACTUAL CONDITION.

Dates.	Loans.	Specie.	Legal Tenders.	Net Deposits.	Reserve Held.
Feb. 28	$1,166,988,400	$263,011,800	$58,981,900	$1,176,818,500	$321,993,700
Mar. 7	1,160,895,200	267,162,400	58,748,600	1,174,517,300	325,911,000
" 14	1,162,961,900	267,822,200	60,303,100	1,179,103,700	328,125,300
" 21	1,159,768,400	277,277,300	61,296,000	1,186,133,000	338,573,300
" 28	1,175,122,400	276,380,500	62,773,000	1,203,031,500	339,153,500

State Banks and Trust Companies Outside of Clearing House—Average Condition.

Dates.	Loans.	Specie.	Legal Tenders.	Net Deposits.	Gross Deposits.	Reserve on Deposits
Feb. 29........	$769,650,800	$42,475,400	$10,618,000	$619,417,400	$732,801,000	$188,562,200
Mar. 7........	772,690,500	42,944,200	10,588,200	619,701,600	739,396,500	194,314,800
" 14........	773,948,900	43,345,200	10,374,700	623,178,700	740,853,200	192,993,600
" 21........	775,340,100	43,413,200	10,177,300	625,467,300	749,183,700	199,749,400
" 28........	812,982,100	46,450,500	10,888,700	653,593,500	796,755,500	223,008,000

State Banks—Average Condition.

Dates.	Loans.	Specie.	Legal Tenders.	Gross Deposits.	Reserve on Deposits.
Feb. 29..............	$247,802,900	$43,241,800	$20,073,800	$277,237,600	$76,037,300
Mar. 7..............	249,197,000	46,029,800	18,807,000	280,921,000	77,504,400
" 14..............	251,813,200	47,440,500	18,670,100	284,315,800	79,018,000
" 21..............	251,[illegible]11,900	49,904,100	19,010,400	286,858,700	80,857,100
" 28..............	254,148,500	50,107,000	19,669,900	289,679,600	82,469,400

Trust Companies—Average Condition.

Dates.	Loans.	Specie.	Legal Tenders.	Gross Deposits.	Reserve on Deposits.
Feb. 29..............	$695,333,700	$38,746,200	$5,669,700	$651,272,500	$168,815,400
Mar. 7..............	698,522,100	39,162,200	5,645,900	657,394,800	175,021,600
" 14..............	699,238,800	39,561,400	5,314,100	653,206,000	172,991,400
" 21..............	700,893,700	39,691,400	5,238,500	667,270,200	180,930,900
" 28..............	737,555,200	42,994,400	5,735,000	714,258,700	203,603,600

Deposits and Surplus Reserve on or About the First of Each Month.

Month.	1906.		1907.		1908.	
	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.
January	$977,651,300	$4,292,575	$981,301,100	$5,369,225	$1,050,925,400	*$20,170,850
February..................	1,061,403,100	11,127,625	1,076,720,000	12,634,100	1,138,501,500	40,526,725
March..................	1,029,545,000	5,008,755	1,038,431,800	3,857,650	1,167,623,700	29,262,675
April..................	1,004,290,500	5,131,270	1,019,817,300	13,131,275	1,189,334,300	39,788,525
May..................	1,028,683,200	10,367,400	1,106,183,300	12,346,775	....	....
June..................	1,036,751,100	6,816,025	1,128,194,600	12,782,450	....	....
July..................	1,049,617,000	12,055,750	1,092,031,700	2,509,275	....	....
August	1,060,116,900	18,892,475	1,099,302,400	7,478,200	....	....
September..................	1,042,057,200	2,869,400	1,046,655,800	8,756,450	....	....
October..................	1,034,059,000	12,540,350	1,055,193,700	5,646,575	....	....
November	1,015,824,100	3,049,775	1,051,786,900	*38,838,825	....	....
December..................	998,634,700	1,449,125	1,083,283,300	*52,989,425	....	....

Deposits reached the highest amount, $1,224,206,600, on September 17, 1904; loans, $1,196,078,500 on November 30, 1907, and the surplus reserve $111,623,000 on Feb. 3, 1894. * Deficit.

Non-Member Banks—New York Clearing-House.

Dates.	Loans and Investments.	Deposits.	Specie.	Legal tender and bank notes.	Deposit with Clearing-House agents.	Deposit in other N. Y. banks.	Surplus Reserve.
Feb. 29................	$80,441,900	$90,048,200	$4,624,500	$5,837,000	$12,774,600	$3,170,200	$3,894,250
Mar. 7................	81,004,000	91,667,500	4,744,100	5,697,000	13,161,400	3,571,800	4,257,425
" 14................	81,848,800	92,887,300	4,605,200	5,784,800	12,722,800	3,744,700	3,635,675
" 21................	82,267,000	92,628,700	4,693,400	5,638,800	11,870,800	3,522,300	2,718,125
" 28................	82,346,100	92,744,000	4,748,000	5,802,100	13,139,500	3,136,500	3,640,100

Boston Banks.

Dates.	Loans.	Deposits.	Specie.	Legal Tenders.	Circulation.	Clearings.
Feb. 29	$189,313,000	$202,469,000	$19,631,000	$2,845,000	$10,771,000	$124,334,000
Mar. 7	187,466,000	202,369,000	18,929,000	2,744,000	10,799,000	127,451,100
" 14	187,132,000	202,612,000	18,876,000	2,787,000	10,824,000	122,019,400
" 21	185,695,000	204,959,000	18,973,000	2,831,000	10,802,000	125,263,000
" 28	187,168,000	205,209,000	18,794,000	2,755,000	10,804,000	120,438,000

Philadelphia Banks.

Dates.	Loans.	Deposits.	Lawful Money Reserve.	Circulation.	Clearings.
Feb. 29	$216,355,000	$238,125,000	$58,730,000	$17,864,000	$114,844,000
Mar. 7	216,403,000	237,851,000	60,293,000	17,731,000	115,571,400
" 14	216,331,000	239,748,000	61,298,000	17,706,000	103,355,500
" 21	217,220,000	244,269,000	62,856,000	17,668,000	111,837,700
" 28	218,159,000	244,335,000	62,556,000	17,638,000	104,599,600

foreign banks were decreases of $21,000,000 for the Imperial Bank of Germany and of nearly $10,000,000 by the Bank of Russia. With the exception of Russia all the banks are better fortified with gold than they were a year ago. England, France and Germany together have $70,000,000 more gold than in April, 1907.

Foreign Exchange.—The sterling exchange market was quiet and featureless, and the extreme fluctuations in quotations for the month were only fractional. The reduction in the Bank of England rate of discount caused a small advance in 60 day bills.

Money Rates Abroad.—The Bank of England reduced its rate of discount from 4 to 3 1-2 per cent. on March 5 and to 3 per cent. on March 19. The Imperial Bank of Germany reduced its rate from 6 to 5 1-2 per cent. on March 7. Discounts of sixty to ninety-day bills in London at the close of the month were 2 1-2 per cent., against 3 3-8 per cent. a month ago. The open market rate at Paris was 2 1-2@2 5-8 per cent., against 2 1-4 per cent. a month ago, and at Berlin and Frankfort 4 1-4 per cent., against 4 5-8 per cent. a month ago.

Silver.—The silver market moved within very narrow limits, the extreme quotations

Gold and Silver in the European Banks.

	Feb. 1, 1907.		Mar. 1, 1907.		April. 1, 1907.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England	£38,508,150	....	£39,320,717	....	£39,722,848	....
France	107,457,009	£36,358,751	110,627,822	£36,268,399	110,649,453	£36,069,044
Germany	29,647,000	12,287,000	34,470,000	14,287,000	30,120,000	12,483,000
Russia	115,724,000	5,591,000	116,063,000	6,070,000	114,113,000	6,812,000
Austria-Hungary	46,183,000	12,260,000	46,511,000	12,573,000	46,652,000	12,953,000
Spain	15,680,000	25,894,000	15,717,000	25,954,000	15,511,000	26,291,000
Italy	36,561,000	4,700,000	36,398,000	4,600,600	36,400,000	4,480,000
Netherlands	7,664,000	4,331,500	7,691,400	4,315,000	7,695,000	4,442,100
Nat. Belgium	3,687,333	1,843,667	4,030,667	2,015,000	4,022,000	2,011,000
Sweden	3,907,000	....	3,904,000	....	3,899,000	....
Switzerland	....	....	3,315,000	....	3,376,000	....
Norway	....	....	1,501,000	....	1,500,000	....
Totals	£405,018,492	£103,265,918	£419,549,606	£106,082,932	£413,661,201	£105,541,144

Rates for Sterling at Close of Each Week.

Week ended.	Bankers' Sterling. 60 days.	Bankers' Sterling. Sight.	Cable transfers.	Prime commercial. Long.	Documentary Sterling, 60 days.
Feb. 29	4.8360 @ 4.8370	4.8660 @ 4.8670	4.8710 @ 4.8720	4.83⅛ @ 4.83¼	4.82⅝ @ 4.83⅝
Mar. 7	4.8355 @ 4.8365	4.8635 @ 4.8640	4.8660 @ 4.8670	4.83 @ 4.83¼	4.82¼ @ 4.83¼
" 14	4.8320 @ 4.8330	4.8580 @ 4.8590	4.8600 @ 4.8610	4.82⅛ @ 4.82¾	4.82¼ @ 4.83
" 21	4.8340 @ 4.8350	4.8590 @ 4.8600	4.8620 @ 4.8630	4.83⅛ @ 4.83¼	4.82⅛ @ 4.83⅝
" 28	4.8370 @ 4.8380	4.8615 @ 4.8620	4.8640 @ 4.8650	4.83¼ @ 4.83⅜	4.82¾ @ 4.83¾

Foreign Exchange—Actual Rates on or About the First of Each Month.

	Dec. 1.	Jan. 1.	Feb. 1.	Mar. 1.	April 1.
Sterling Bankers—60 days	4.81 — ¼	4.79 — ¼	4.83⅞— 84	4.83⅝— ¾	4.84¼— ½
" " Sight	4.86¼— ⅜	4.84⅛— ¼	4.86⅞— 87	4.86⅝— ¾	4.86⅜— ½
" " Cables	4.87⅞—88	4.85⅝— ⅞	4.87⅜— ½	4.87⅛— ¼	4.86⅝— ¾
" Commercial long	4.79½—80	4.77¾—79¼	4.83¼— ⅜	4.83⅛— ¼	4.83 — ¾
" Docu'tary for paym't	4.78 —81	4.77⅛—79¼	4.82¾— 3⅛	4.82 5/16— 3⅜	4.83 — 4
Paris—Cable transfers	5.16⅞— ¼	5.18⅛—17½	5.16¼—15⅝	5.16⅞—	5.16¼—15⅝
" Bankers' 60 days	5.21⅞— ¼	5.23⅛—22⅛	5.19⅜— 18¾	5.20 —19⅜	5.18¾—
" Bankers' sight	5.18⅛—17½	5.19⅜—18¾	5.16¼—	5.17½—16⅞	5.16⅞— ¼
Swiss—Bankers' sight	5.19⅜—18¾	5.20⅝—20	5.17⅛—16⅞	5.18⅛—17½	5.16⅞—
Berlin—Bankers' 60 days	93⅝— ¾	93⅝— ¾	94⅝— ½	94 5/16— 7/16	94¼— ⅝
" Bankers' sight	94⅝— ¾	94⅛— ⅝	95 1/16— ⅛	95 — 1/16	95¼— 5/16
Amsterdam—Bankers' sight	40 1/16— ⅛	39 15/16—40	40 1/16— ⅜	40¼—	40 3/16—
Kronors—Bankers' sight	26 7/16— ⅝	26½— ⅝	26⅝— ¾	26⅝— ¾	26⅝— ¾
Italian lire—sight	5.18⅛—17⅛	5.18¾—20⅛	5.16¼—	5.16⅞—	5.16¼—15⅝

Bank of England Statement and London Markets.

	Dec. 31, 1907.	Jan. 31, 1908.	Feb. 29, 1908.	Mar. 31, 1908.
Circulation	£29,520,000	£28,026,000	£28,810,000	£28,905,000
Public deposits	7,552,000	8,884,000	17,177,000	15,600,000
Other deposits	52,657,000	42,099,000	43,728,000	43,464,000
Government securities	15,832,000	14,832,000	14,328,000	18,758,000
Other securities	40,802,000	25,836,000	34,840,000	35,439,000
Reserve of notes and coin	21,473,000	28,932,000	29,961,000	29,268,000
Coin and bullion	32,543,665	38,508,150	39,320,717	39,722,849
Reserve to liabilities	35.62%	56.68%	49.13%	49.50%
Bank rate of discount	7%	4%	4%	3%
Price of Consols (2½ per cents.)	83⅞	86⅛	87 11/16	87 9/16
Price of silver per ounce	24⅞d.	25½d.	25 9/16d.	25 9/16d.

for the month being 25 13-16@25 7-16. The closing price was 25 9-16, the same as that of the previous month.

Foreign Trade.—Another big balance of net exports is shown for the month of February, nearly $89,000,000, making a total of $515,000,000 in the last six months. Of this balance $418,000,000 has been created since December 1 last. The exports in February were $167,000,000, an increase of $8,000,000 over the total for the same months in 1907. Imports were $79,000,000, a decrease of $44,000,000. The excess of exports over imports is $52,000,000 more than in February last year. For the eight months of the current fiscal year the exports were $1,357,000,000, an increase of about $68,000,000 over 1907, while the imports were $836,000,000, a decrease of $96,000,000. The net balance is $520,000,000, as against $356,000,000 in the

Monthly Range of Silver in London—1906, 1907, 1908.

Month.	1906.		1907.		1908.		Month.	1906.		1907.		1908.	
	High	Low.	High	Low.	High	Low.		High	Low.	High	Low.	High	Low
January	30¼	29 13/16	32 7/16	31¼	26¾	25⅛	July	30 7/16	29 13/16	31 15/16	31		
February	30 13/16	30⅛	32⅛	31⅛	26 9/16	25¼	August	30 13/16	29⅞	32 5/16	31⅛		
March	30 7/16	29	32 1/16	30⅝	25 13/16	25 7/16	September	31¾	30 13/16	31 9/16	31⅛		
April	30 9/16	29⅝	30⅛	30			October	32 9/16	31 11/16	30⅞	27 7/16		
May	31⅜	30 9/16	31⅛	29 15/16			November	33⅛	32	27 13/16	26 9/16		
June	31 1/16	29⅝	31 1/16	30⅝			December	32 5/16	31 9/16	26 11/16	24 3/16		

Foreign and Domestic Coin and Bullion—Quotations in New York

	Bid.	Asked.		Bid.	Asked.
Sovereigns	$4.86	$4.90	Mexican doubloons	$15.50	$15.65
Bank of England notes	4.85	4.90	Mexican 20 pesos	19.50	19.65
Twenty francs	3.87	3.92	Ten guilders	3.95	4.00
Twenty marks	4.73	4.76	Mexican dollars	.47	.52
Twenty-five pesetas	4.78	4.82	Peruvian soles	.39	.42
Spanish doubloons	15.50	15.65	Chilian pesos	.39	.42

Bar silver in London on the first of this month was quoted at 25 9/16d. per ounce. New York market for commercial silver bars, 55⅝ @ 56⅞c. Fine silver (Government assay), 55½ @ 57c. The official price was 55⅝c.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF FEBRUARY.	Merchandise. Exports.	Imports.	Balance.		Gold Balance.		Silver Balance.	
1903	$125,586,024	$82,622,246	Exp.,	$42,963,778	Imp.,	$311,986	Exp.,	$2,179,507
1904	118,800,282	89,022,500	"	29,777,782	"	4,301,758	"	1,833,902
1905	106,870,782	103,084,413	"	3,786,369	Exp.,	12,601,393	"	1,974,717
1906	141,766,558	104,232,879	"	37,533,679	"	6,406,647	"	1,954,680
1907	159,517,221	123,005,683	"	36,511,538	Imp.,	2,202,808	"	1,121,982
1908	167,867,762	79,124,401	"	88,743,361	"	834,834	"	698,997
EIGHT MONTHS.								
1903	982,068,063	680,771,760	Exp.,	301,296,303	Imp.,	17,487,605	Exp.,	16,825,555
1904	1,047,946,626	654,362,184	"	393,584,442	"	50,216,748	"	13,323,213
1905	1,008,060,808	728,998,926	"	279,061,882	Exp.,	43,256,796	"	15,873,364
1906	1,198,391,383	799,957 520	"	398,433,863	Imp.,	17,178,472	"	16,450,761
1907	1,289,214,871	932,734,859	"	356,480,012	"	80,966,399	"	9,200,757
1908	1,357,012,349	836,122,625	"	520,889,724	"	114,337,643	"	10,115,175

previous year. The largest balance ever recorded in a full year was $664,000,000, an amount likely to be exceeded this year.

NATIONAL BANK CIRCULATION.—There was an increase of $732,836 in the amount of national bank notes outstanding last month, but the circulation based on government bonds was reduced $3,600,000, while the circulation secured by lawful money increased $4,300,000. The latter now amounts to more than $67,500,000, an increase since January 1 of $21,000,000. There was a reduction of $4,000,000 in the amount of government bonds deposited to secure bank circulation, making $14,000,000 since January 1. There was a decrease of $33,000,000 in bonds deposited to secure public deposits.

GOVERNMENT REVENUES AND DISBURSEMENTS.—Another deficit, slightly larger than that of February, was reported in March. Nearly $8,600,000 is the excess of expenditures for the month making about $35,700,000 for the nine months of the current fiscal year. Compared with March, 1907, revenues have fallen off $9,600,000, while expenditures increased $9,600,000. The deficit of $8,600,000 this year compares

NATIONAL BANK CIRCULATION.

	Dec. 31, 1907.	Jan. 31, 1908.	Feb. 28, 1908.	Mar. 31, 1908.
Total amount outstanding	$690,130,895	$695,402,762	$695,674,519	$696,407,355
Circulation based on U. S. bonds	643,459,899	641,919,664	632,458,712	628,834,336
Circulation secured by lawful money	46,670,996	53,483,098	63,215,807	67,573,019
U. S. bonds to secure circulation:				
Four per cents. of 1925	18,181,600	17,308,600	16,384,750	16,253,750
Three per cents. of 1908-1918	12,211,680	12,004,720	9,788,520	9,377,120
Two per cents. of 1930	568,926,410	567,561,700	560,358,850	557,277,400
Panama Canal 2 per cents	32,518,810	34,517,300	34,463,040	35,327,800
Certificates of Indebtedness 3 per cent	14,944,500	15 436,500	15,436,500	16,253,750
Total	$646,783,000	$646,828,820	$636,426,660	$632,422,570

The National Banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1925, $7,702,350; 3 per cents. of 1908-1918, $8,153,300; 2 per cents. of 1930, $44,911,700; Panama Canal 2 per cents. $17,987,040; District of Columbia 3.65's, 1924, $2,153,000; Hawaiian Islands bonds, $2,004,000; Philippine loan, $8,961,000; state, city and railroad bonds, $138,538,393; Porto Rico, $745,000; certificates of indebtedness 3 per cent., $———; a total of $231,155,783.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.

Source.	March, 1908.	Since July 1, 1907.
Customs	$21,155,048	$222,871,972
Internal revenue	19,543,890	190,185,956
Miscellaneous	3,918,027	46,731,848
Total	$14,616,965	$459,789,776
Excess of receipts	*$8,584,364	*$35,675,151

*Excess of expenditures.

EXPENDITURES.

Source.	March, 1908.	Since July 1, 1907
Civil and mis.	$10,810,011	$108,505,863
War	10,111,966	84,123,723
Navy	9,901,198	87,852,181
Indians	1,485,927	10,938,552
Pensions	13,267,461	116,819,302
Public works	7,502,924	71,430,838
Interest	171,842	15,794,468
Total	$53,201,329	$495,464,927

with a surplus of $10,600,000 last year. For the nine months last year a surplus of $51,000,000 was shown. While the government has received since July 1 $32,000,000 less in revenues than in the previous year it has spent $55,000,000 more than in that year, making a difference of $87,000,000 on the wrong side of the account.

United States Public Debt.—About $1,250,000 of the certificates of indebtedness issued last year were retired in March. This and an increase of $4,500,000 in the national bank note redemption fund were the only important changes in the principal of the debt. The net cash balance was reduced $6,000,000, while the total debt less cash in the treasury was increased over $9,000,000. The net debt has grown nearly $26,000,000 since January 1 last.

Money in Circulation in the United States.—By the absorption of money in the United States Treasury the volume of circulation suffered a decrease of $12,000,000 in March. The amount outstanding on April 1 was about $1,500,000 more than on January 1. The supply of gold certificates continues to increase, the total now exceeding $808,000,000, or $102,000,000 more than on January 1 last.

Money in the United States Treasury.—The Treasury gained more than $20,500,-

United States Public Debt.

	Jan. 1, 1908.	Feb. 1, 1908.	Mar. 1, 1908.	April 1, 1908.
Interest-bearing debt:				
Consols of 1930, 2 per cent	$645,250,150	$646,250,150	$646,250,150	$646,250,150
Loan of 1925, 4 per cent	118,489,900	118,489,900	118,489,900	118,489,900
Loan of 1908-1918, 3 per cent	63,945,460	63,945,460	63,945,460	63,945,460
Panama Canal Loan of 1916, 2 per cent	54,088,040	54,631,980	54,631,980	54,631,980
Certificates of Indebtedness 1908	15,436,500	15,436,500	15,436,500	14,186,500
Total interest-bearing debt	$898,210,050	$898,753,990	$898,753,990	$897,503,990
Debt on which interest has ceased	5,580,385	5,107,205	4,887,095	4,675,215
Debt bearing no interest:				
Legal tender and old demand notes	346,734,298	346,734,298	346,734,298	346,734,298
National bank note redemption acct	46,162,653	51,597,010	62,028,732	66,553,189
Fractional currency	6,863,434	6,863,434	6,863,434	6,862,834
Total non-interest bearing debt	$399,760,386	$405,194,742	$415,626,465	$420,150,321
Total interest and non-interest debt	1,303,550,821	1,309,055,938	1,319,267,550	1,322,329,527
Certificates and notes offset by cash in the Treasury:				
Gold certificates	767,005,869	810,215,869	830,046,869	835,010,869
Silver certificates	471,416,000	464,704,000	457,044,000	452,048,000
Treasury notes of 1890	5,479,000	5,400,000	5,319,000	5,240,000
Total certificates and notes	$1,243,900,869	$1,280,319,869	$1,292,409,869	$1,292,298,869
Aggregate debt	2,547,451,690	2,589,375,807	2,611,677,419	2,614,628,396
Cash in the Treasury:				
Total cash assets	1,779,680,663	1,814,600,028	1,830,147,441	1,825,868,700
Demand liabilities	1,360,160,672	1,398,182,727	1,411,301,637	1,413,260,510
Balance	$419,519,990	$416,417,301	$418,845,804	$412,608,190
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	269,519,990	266,417,301	268,845,804	262,608,190
Total	$419,519,990	$416,417,301	$418,845,804	$412,608,190
Total debt, less cash in the Treasury	884,030,831	892,638,637	900,421,746	909,721,837

Money in Circulation in the United States.

	Jan. 1, 1908.	Feb. 1, 1908.	Mar. 1, 1908.	April 1, 1908.
Gold coin	$648,573,173	$641,496,096	$633,804,057	$629,782,705
Silver dollars	91,312,428	89,557,092	86,539,225	83,596,986
Subsidiary silver	134,980,859	130,701,055	127,358,912	126,034,150
Gold certificates	706,612,349	769,629,359	791,661,899	808,340,829
Silver certificates	467,731,347	453,413,640	446,191,369	438,181,217
Treasury notes, Act July 14, 1890	5,469,056	5,392,484	5,308,501	5,225,744
United States notes	345,275,422	339,171,655	337,053,315	333,513,309
National bank notes	679,034,664	665,001,318	664,719,363	655,825,794
Total	$3,078,989,298	$3,094,362,699	$3,092,666,641	$3,080,450,734
Population of United States	86,784,000	86,903,000	87,021,000	87,140,000
Circulation per capita	$35.48	$35.61	$35.54	$35.35

000 in cash last month, making the total increase in the last three months over $47,-000,000. There was a loss of about $6,-000,000 in net gold but a gain in other forms of money.

SUPPLY OF MONEY IN THE UNITED STATES.—The total stock of money in the country was increased $8,500,000. About $6,700,000 was in gold, $1,000,000 in fractional silver and $700,000 in national bank notes.

MONEY IN THE UNITED STATES TREASURY.

	Jan. 1, 1908.	*Feb. 1, 1908.*	*Mar. 1, 1908.*	*April 1, 1908.*
Gold coin and bullion	$935,967,820	$987,104,459	$1,002,044,417	$1,012,832,909
Silver dollars	476,937,554	478,692,890	481,710,757	484,652,996
Subsidiary silver	4,650,185	10,816,738	16,075,711	18,452,313
United States notes	1,405,594	7,509,361	9,627,701	13,167,707
National bank notes	11,096,281	30,401,444	30,955,156	40,581,561
Total	$1,450,046,834	$1,514,524,892	$1,540,413,742	$1,569,687,486
Certificates and Treasury notes, 1890, outstanding	1,179,812,752	1,228,435,483	1,243,161,769	1,251,747,790
Net cash in Treasury	$270,234,082	$286,089,409	$297,251,978	$317,939,696

SUPPLY OF MONEY IN THE UNITED STATES.

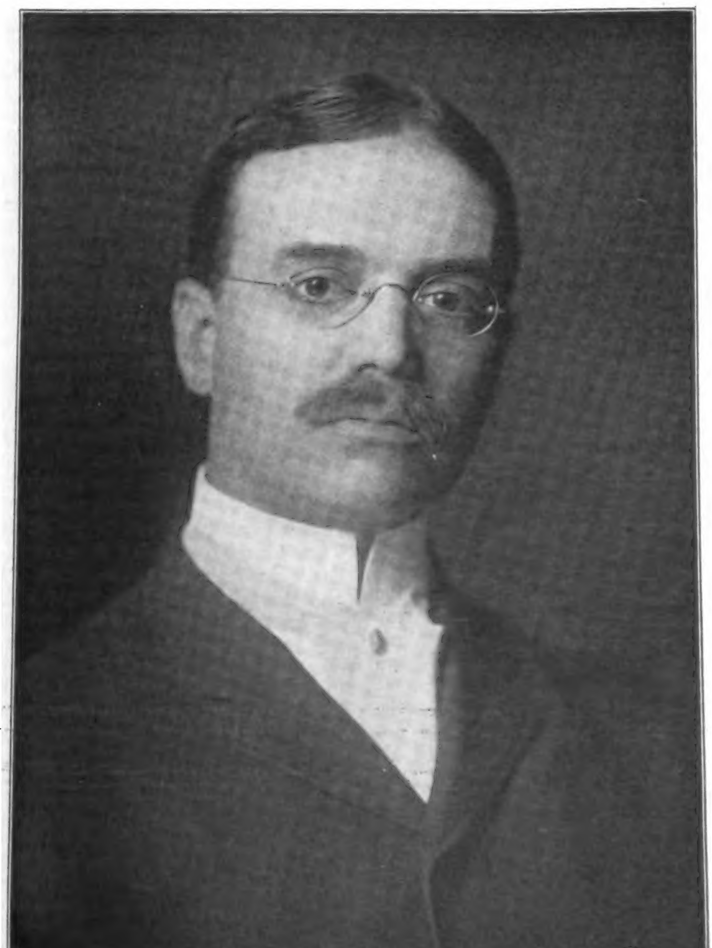
	Dec. 1, 1907.	*Jan. 1, 1908.*	*Feb. 1, 1908.*	*Mar. 1, 1908.*	*April 1, 1908.*
Gold coin and bullion	$1,561,714,719	$1,604,530,493	$1,628,600,556	$1,635,848,474	$1,642,565,614
Silver dollars	568,249,982	568,249,982	568,249,982	568,249,982	568,249,982
Subsidiary silver	136,201,145	139,630,994	141,517,793	143,464,623	144,486,463
United States notes	346,681,016	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	656,218,196	690,130,895	695,402,762	695,674,519	696,407,355
Total	$3,269,065,058	$3,349,223,380	$3,380,452,108	$3,389,918,614	$3,398,390,430

BANKING AND FINANCIAL NOTES

NEW YORK CITY.

Resumption of the Knickerbocker Trust Company.

PROMPTLY at noon, on Thursday, March 26, the main office and all branches of the Knickerbocker Trust Company reopened their doors for business. This action ended a suspension which had lasted since last October and was the result of months of investigation and planning. Many tokens of congratulation and good will in the form of telegrams, letters and floral offerings were received at the main office during the first day's business and from the general air of easiness there,



CHARLES HALLAM KEEP
The Newly Elected President of the Knickerbocker Trust Co. of New York.

one would never have suspected that the opening day was any different from other business days.

Superintendent Clark Williams was at the bank during the day, ready to assist the tellers should they need help, but everything moved as smoothly as clockwork, and when the books closed for the night, many new accounts had been opened. It has been a hard task for those who have been back of the plan to reopen the bank to gain the consent of timid depositors, but despite the fact that a few held out against the plan, a sufficient number of assents were finally received.

There have been many important changes connected with the Knickerbocker's reopening and several men, never heretofore connected with its affairs, have become members of the directorate and executive staff.

Charles Hallam Keep was elected president on March 21, after the voting trustees and directors had accepted the resignation of President A. Foster Higgins and those of the entire old board of officers and directors in accordance with the plan adopted.

B. L. Allen, formerly third vice-president, has been made second vice-president. Joseph T. Brown, who was second vice-president, is now third vice-president. Harris A. Dunn has been made secretary and treasurer in place of F. G. King. J. McL. Walton is now assistant secretary and A. G. King assistant treasurer.

Charles Hallam Keep, the new president of the Knickerbocker Trust Company, was born in Lockport, N. Y., in 1861. He graduated from Harvard University and practiced law in Buffalo from 1885 until 1903, when he was appointed Assistant Secretary of the Treasury. While in that position he gained prominence as the chairman of the commission appointed by President Roosevelt to investigate and report methods for improvement of the departmental system. He resigned from the Treasury Department last year and was appointed Superintendent of the New York State Banking Department, which position he soon resigned to accept an appointment as Public Service Commissioner for the Second District. He has resigned this position since entering upon the duties of his new office.

The Knickerbocker Trust Company reopened with $14,045,507 on hand and total resources of $50,910,469.

—Samuel Ver Planck Hoffman has been added to the board of directors of the Lincoln Trust Company.

—On March 18 trustees of the New York Trust Company accepted the resignation of Willard V. King as vice-president and also elected Alexander S. Webb, Jr., second vice-president, and Mortimer N. Buckner, third vice-president. Walter E. Drummond succeeds Mr. Buckner as treasurer.

—F. J. Parsons was recently elected assistant secretary, and H. L. Servos assistant treasurer of the United States Mortgage & Trust Company.

—E. Tilden Mattox, formerly with the Lincoln Trust Co., has accepted the position of solicitor for the Merchants' Exchange National Bank

—The Farmers' Loan & Trust Company is having plans prepared by Architects Clinton & Russell for a fifteen-story building, to be erected on the property owned by the company at 63 and 65 Beaver street, running through to 20 and 24 Exchange Place. It is understood that the new structure will cost about $1,000,000.

The property, which was bought from the Alliance Realty Company about two years ago, adjoins the present building of the trust company at the northeast corner of William and Beaver streets, and has a frontage of 45 feet on Beaver street. On Exchange place the new building will front about 68 feet, the average depth through from street to street being about 115 feet. The site faces, on its Exchange place side, the old Custom House, now being rebuilt and enlarged by the National City Bank.

The ground floor of the proposed structure will probably be used by the trust company for an addition to its present banking rooms. Work on the building will be begun immediately upon the completion and approval of the plans.

—Plans for the merger of the new Amsterdam National Bank with the Mechanics and Traders' Bank and the Hudson Trust Co. have been broached and the selecting of J. H. Edwards as head of the merged institution is favored.

—On March 6 Justice O'Gorham gave his consent to a plan to liquidate the affairs of the Oriental Bank by which the Metropolitan Trust Company will loan $4,000,000 to the bank, enabling it to pay off all its depositors. The trust company will take over the bank's assets as collateral for the loan.

The Oriental Bank reopened its doors March 23 and the machinery for paying off the depositors of the bank was put in motion.

—James G. Cannon, vice-president of the Fourth National Bank, in New York, was elected chairman of the Committee on Finance of the New York Chamber of Commerce March 5, in place of William Nash, retired.

—Secretary Taft has designated the banking-house of Speyer & Company as a depositary for Philippine funds in the United States. The total amount of funds, about $10,000,000, in the six depositaries previously designated, will be considerably reduced in a short time by payments to meet maturing obligations.

—Stockholders of the Hudson Trust Co., who recently voted to reduce the capital from $1,000,000 to $500,000, have subsequently agreed to leave the $500,000 as a surplus of the company, making the total surplus now $600,000.

—The Home Savings Bank of Brooklyn since opening its doors for business on May 20, 1907, has enjoyed a steady growth of deposits and resources. In a statement of February 1, the amount due depositors was shown to be $150,994.03 and the surplus fund, after paying depositors 4 per cent. interest January 1, was $1,910.12.

Officers of this progressive bank are: George H. Gerard, president; Charles A. Miller, first vice-president; James T. Kelly, second vice-president; Wm. H. Kniffin, Jr., cashier.

—It is now believed that depositors of the Brooklyn Bank will be paid another dividend in May, but the amount has not as yet been determined. From the present outlook depositors will probably receive 90 per cent. in all.

—The question of admission of trust companies into the clearing house association is still in abeyance. At a meeting of the clearing house association January 14 it was unanimously agreed to admit trust companies to full membership on a 25 per cent. reserve basis. It was further proposed to admit as associate members only those companies keeping 15 per cent. reserve, but in view of the fact that the question of the reserve required to be held by state banking institutions was then and is now under consideration by the legislature, it was deemed advisable to let this matter stand over for three months. As soon as this has been settled some developments are looked for.

—A banking bill has passed in the Senate which gives the State Superintendent of Banks an additional deputy, to be appointed by his own choosing, to take charge of the New York city branch of the State Banking

Department and to have sole control of the New York city banking examinations.

—The election of officers of The Merchants' Association of New York for the current year occurred March 5 at a special meeting of the board of directors.

By a unanimous vote the following gentlemen were chosen officers of the association: Henry R. Towne, president Yale & Towne Manufacturing Co., president; Gustav H. Schwab, of Messrs. Oelrichs & Co., first vice-president; William A. Marble, vice-president R. & G. Corset Co., second vice-president; Wm. Jay Schieffelin, of Schieffelin & Co., third vice-president; Gustav Vintschger, president Markt & Co., Ltd., treasurer; and S. C. Mead, secretary.

—Depositors of the Hamilton Bank, on March 20, were paid the third installment under the terms of the agreement made prior to the reopening of the bank. This payment is two months ahead of the schedule time and brings the total payments that have now been made up to forty per cent. of the whole amount.

The progress made by the Hamilton Bank since it opened on January 20 has been very gratifying to the directors and officials. Since that date nearly 300 new accounts have been opened representing a very material increase of deposits.

—Officers and friends of the Phenix National Bank may well be proud of the very excellent showing made by that institution throughout the recent panic.

The bank met all demands made upon it during that period, without issuing clearing-house certificates or denying its customers loans or currency.

Its resources now total well over twelve million dollars and the surplus fund is $400,000. The present officers at the head of the Phenix National are as follows: President, F. E. Marshall; vice-president, Alfred M. Bull; cashier, B. L. Haskins; assistant cashier, H. C. Hooley.

—David H. Lanman, treasurer of the Brooklyn Trust Co., has been elected a member of the board of trustees to fill a vacancy. The institution has declared its regular quarterly dividend of 5 per cent., payable April 1.

—Alexander S. Webb, Jr., only recently made vice-president of the New York Trust Co., has accepted the presidency of the Lincoln Trust Co. and assumed his duties April 15.

He succeeds Frank Tilford, who has been temporary president since last June, when Henry C. Wilson resigned.

At the same meeting which elected Mr. Webb president, Abram M. Hyatt was elected first vice-president. Mr. Webb is a son of Gen. Alexander S. Webb, who was for many years president of the College of the City of New York. He has been in the banking business for eighteen years. For eleven years he was with the Lincoln National Bank. He served three years after that as secretary of the Metropolitan Trust Company, and has been with the New York Trust Company since 1902, serving as secretary, third vice-president and vice-president.

The directors of the Lincoln Trust Company, as a further evidence of their confidence in the bank, have subscribed to a $500,000 increase in capital.

—On March 23 Willard V. King assumed his duties as president of the Columbia Trust Company.

Mr. King was connected with the old Continental Trust Company from the beginning and rose to the position of vice-president. When it merged with the New York Security & Trust Company he became

vice-president of the combined companies, Otto T. Bannard being the president.

The Columbia Trust Company was organized about two years ago, and although it has not yet acquired a large line of deposits it is regarded as one of the most conservative institutions in this city. It has a clean record and was among the nine companies in Greater New York to show an increase in the undivided profits account during 1907. It has a capital of $1,000,000, surplus $1,000,000, undivided profits $130,-000, and deposits of $5,000,000. Clark Williams was largely instrumental in organizing the company and was vice-president up to the time he became Superintendent of Banks. The other officers beside Mr. King are A. B. Hepburn, W. H. Nichols and Howard Bayne, vice-presidents; L. W. Wiggin, secretary; E. B. Potts, assistant secretary; Park Terrell, manager of bond department; D. S. Mills, trust officer.

—Arba K. Alford and Claudius Hutchins, appraisers of the assets and property of The Williamsburg Trust Company, have filed their inventory and appraisal of the assets in the Ulster County Clerk's office. They report the book value of all property, cash, etc., $8,441,351.20, and the appraised value $7,935,917.35. The cash on hand amounts to $374,569.21.

—Control of the branch of the Williamsburg Trust Company, at Broadway and Myrtle avenue, Brooklyn, was purchased March 27 by the Corn Exchange Bank at an auction sale conducted by Auctioneer William M. Smith in Brooklyn. The Corn Exchange Bank was the only bidder, its bid being $20,000. The sale includes the title, good-will, and fixtures of the branch.

It is the intention of the new owners to open the place about May 1 as a branch of the Corn Exchange Bank. With the consent of the receivers for the Williamsburg Trust Company, the Corn Exchange Bank will loan to the depositors in the Williamsburg Company's branch fifty per cent. of their deposits there.

—On April 4 an order was signed dismissing the temporary receiver of the Jenkins Trust Co., of Brooklyn, and it is expected that the company will resume business on or before April 22.

NEW ENGLAND STATES.

—At a meeting of the directors of the New England Trust Co. of Boston, held March 12, Alexander Cochrane was elected vice-president to succeed the late Charles H. Dalton. Ernest Lovering and Timothy E. Byrnes were also added to the board.

—It is now certain that the Union Trust Company of Providence, R. I., will be reopened, after having been closed since last October.

The receivers and a committee of depositors who since December 28 have been at work on a plan for the reorganization of the bank report that about 96½ per cent. of the claims against the institution have been released. Out of a total of more than $19,000,000 in deposits $18,431,085 have been released by 16,250 depositors while the issue of 10,000 shares of new stock in the reorganized institution are over subscribed.

—Cyrus P. Brown, president of the Industrial Trust Company of Providence, R. I., has been made president of the Providence Clearing-House Association and Oren Wescott, cashier of the Blackstone National Bank, has been chosen secretary. Those on the clearing-house committee are: E. S. Clark, H. E. Thurston, J. R. Thompson, E. Allen, W. C. Angell.

—Figures have been compiled showing that for the twelve months ended February 14, 1908, the sixteen Boston trust companies showed combined net earnings of $2,355,068, equal to 21.21 per cent. on the aggregate capitalization of $11,100,000, against earnings of $2,359,439, or 21.25 per cent. on the same capitalization for the year ended October 31, 1907.

Last year three new trust companies were organized in Boston, namely, the Exchange Trust Company, with a capital of $250,000,

and the Dorchester and Liberty trust companies, with capital of $200,000 each.

—The Hyde Park National Bank of Hyde Park, Mass., declared an initial semi-annual dividend of two per cent., payable April 21.

This bank is two and one-half years old and has about $400,000 of deposits. Its capital is $100,000 and surplus and undivided profits $25,000. F. L. Childs is president and among the directors are Eugene N. Foss and Galen L. Stone.

—Representatives of the savings banks from every section of Massachusetts met on March 6, for a hearing before the legislative committee on banks and banking, and to oppose as far as possible, the Malley and Massachusetts Real Estate Exchange bills. The principal objection that may be brought against these bills, is that clause which provides for sixty per cent. of the assets of the savings banks to be loaned on real estate and absolutely none on personal security.

—Something of an innovation in the new Union Trust Company's building, of Springfield, Mass., now rapidly nearing completion, is the provision which is being made for rooms designed for the use of organizations of any sort which desire to hold meetings. Seven such rooms will be equipped by the company and, what is the most unusual feature, will be placed at the disposition of organizations without expense to them. These rooms will be furnished appropriately and in keeping with the luxurious appointments of the remainder of the building.

—The People's Savings Bank of Brockton, Mass., hopes to occupy its new building within a few months as the structure is now going up rapidly. Many distinctive features are to make the new home one of the finest in that part of the state, and one that will be a credit to its officers.

—Plans have been accepted by the directors of the Somerville (Mass.) National Bank for a new building to be erected on the lot owned by the bank on Bow street, next to the Prospect Hill Congregational Church, near Union square. Construction will begin early in the spring, and by next fall the directors hope to be doing business in the new building.

The building will be fireproof throughout. It will be about thirty-five feet high, with one story for the banking rooms and two stories in the rear for the offices, vault, ladies' parlor and retiring rooms.

A central entrance specially emphasized with a handsome arch and grilled window

over it, with pediment breaking the sky line, will give a handsome effect. The building will have a flat roof, relieved at the sides by a balustrade effect.

—Over 1000 people attended a reception held on the evening of March 23 at the First National Bank of Boston by President Daniel G. Wing and other officials of that institution. The crowd spent nearly two hours inspecting the new million dollar building, which stands at the junction of Federal, Franklin and Congress streets, and is to be the future home of the bank. The imposing windows of the main banking-room present a striking architectural feature of the long facade on Franklin street.

They are of bronze with Verti Tinos marble panels. Below them are five Tennessee marble bas-reliefs, depicting some of the chief commercial interests of the bank and the city, such as wool and cotton, paper and lumber, transportation, leather and machinery.

The interior of the bank's quarters is beautifully finished and arranged for its customers' use and all appointments are of the finest.

Four bronze and marble lamps flank the main stairway and from the centre of the banking room is suspended a mammoth chandelier representing the earth, surrounded by three coronas and comprising 350 lights artistically grouped. The prevailing finish is bronze and marble. Desks and furnishings blend effectively. On the floor below the main banking room are the safety deposit vaults and the coupon department, also finished in bronze and marble.

There is a large storeroom and stationery department and the sub-basement is equipped with a system of ventilation purified by water process.

EASTERN STATES.

—At a meeting of the Philadelphia Credit Men's Association held on March 18, a resolution was adopted condemning the Aldrich currency bill and declaring in favor of the main features of the Fowler bill. Copies of the resolution were sent to every member of Congress. The next meeting of the association will be held during the third week of April, for which an excellent programme is in preparation.

—James M. Shumaker has resigned the presidency of the Dollar Deposit Bank of Johnstown, Pa. Ill health is given as the reason for his retirement. He is succeeded by Nathan Miller, a prominent real estate dealer of Johnstown.

—"A building within a building now building," may sound strange, but that is literally just what is being accomplished by the Jenkintown (Pa.) National Bank at this time. Outside the walls of the old building masons are at work setting the

granite blocks in place for the new structure. which is to be thoroughly modern in every way.

As the new building progresses the walls of the old building will be demolished.

Part of the rear structure of the bank building has been completed, and within a short time the banking business will be conducted in this part, giving the workmen increased facilities for building and the demolishing of the walls of the present banking house.

—Frank A. Ikeler succeeds E. F. Carpenter as cashier of the First National Bank, Bloomsburg, Pa. Mr. Ikeler has been a director of the bank several years.

—Henry H. Kingston has resigned from the presidency of the Investment Company of Philadelphia and of the Investment Trust Company. William L. Nevin, who early this month was elected a director and vice-president, is acting president of the institutions.

—Officers of the new Belmont Trust Company of Philadelphia have been elected as follows: President, Joel H. De Victor; secretary, Joseph W. Kenworthy; treasurer, Clark Moore, Jr.

—The fine new building of the Title, Trust and Guaranty Company of Johnstown, Pa., will be thrown open to the public within a short time. In point of architecture and workmanship it is one of the finest in the city and represents an investment in excess of $100,000. The first floor of the new building will be used as a banking house by the Title, Trust and Guaranty Company, which is putting the finishing touches on the interior preparatory to throwing its doors open for business.

—The Iron Bound Trust Co. of Newark, N. J., has increased its capital stock from $100,000 to $200,000.

—J. Hampton Moore, receiver of the City Trust, Safe Deposit and Surety Company of Philadelphia, has sent out checks to the bank's depositors, covering the second dividend paid since closing. This will bring the total amount paid up to 60.7½ per cent. of the indebtedness.

—Jos. Channon, cashier of the Northwestern National Bank of Philadelphia, has succeeded the late L. J. Bauer as vice-president. Mr. Channon will also continue as cashier of the bank.

—The First National Bank of Kennett Square, Del., will erect a new bank building, to cost $30,000 and to be built of granite with trimmings of Warner stone. All modern conveniences and appliances are to be provided to make the new home suitable for banking purposes.

—W. W. Hill has been appointed cashier of the First National Bank of Sheridan, Pa., to succeed L. H. Williams, resigned. Mr. Hill is a capable bank man, having been formerly connected with the Mt. Washington Savings and Trust Company of Sheridan.

—That the recent financial stringency was due to inadequacies of our national banking system and to the non-elasticity of our currency, was the sentiment of an address delivered March 19, at the Lincoln hotel by J. T. Montgomery, on the occasion of the dinner held there by the Credit Mens' Association of Pittsburgh.

Mr. Montgomery advocated changes in laws governing banking matters and proposed resolutions supporting certain bills now pending. These resolutions were passed by the assemblage. Other addresses of the evening were delivered by G. B. Hill, J. K. Cree and R. A. Hays. The latter presented an anaylsis of the Credit Mens' Association, entering into the features of salesmanship.

—The Second National Bank of Wilkes Barre, Pa., recently took possession of its magnificent new building, equipped with all the modern fixtures and conveniences. The interior of the new quarters is as handsomely and elegantly finished as any bank home in this country, and the building is one that officers of the bank may feel justly proud of.

—George W. White has succeeded R. A. Chester as first vice-president of the Com-

mercial National Bank of Washington, D. C. G. O. Walson takes the place of cashier, previously held by Mr. White.

—Louis S. Amonson was on March 25 elected a director of the Franklin Trust Co. of Philadelphia. Mr. Amonson was formerly vice-president of the State of Pennsylvania Insurance Co.

—The fiftieth anniversary of the Philadelphia Clearing-House was celebrated March 23, at a banquet given by Philadelphia bankers. About forty bankers were present and listened to an address by James Moore, Jr., president of the Northern Liberties National Bank, in which he compared the status of the clearing-house fifty years ago with its present flourishing condition.

J. B. Mitchell, who was the oldest bank president in service, was elected the first president, and there have been in this half century only four others, namely, Joseph Patterson, James V. Watson, John H. Michener and Francis B. Reeves, the last-named being the present president. More remarkable still is the fact that in fifty years there have been only two managers. George E. Arnold served from 1858 to 1885, and John C. Boyd has been manager since then. He is also secretary of the clearing-house.

SOUTHERN STATES.

—A statement showing the condition of all the 313 state banks and trust companies of Texas at the close of business February 14, has been given out by the Department of Banking.

Their resources on that date amounted to $34,483,215.29 with a reserve of 56½ per cent.

A comparative statement with the previous reports of the state banks, which was called for on December 3, showed cash in vaults at the December call amounting to $1,700,798.68, while for February this amount had increased to $3,923,419.16.

—Since our recent money panic many banks throughout the country have endeavored to assure their customers by optimistic letters that they have not been weakened in any way by the abnormal conditions which they were forced to meet.

But perhaps, to the average depositor, figures count for more than all the nicely-worded letters which they could ever read, and the Planters' National Bank of Richmond, Virginia, has set forth in its recent statements facts which would convince the most skeptical.

A comparison of the August, 1907, and January, 1908, statements is interesting

at this time, as it shows a steady increase of deposits, notwithstanding the intervening panic.

On August 22 last deposits with the bank totaled $4,540,403.28 and surplus and profits were $1,059,315.25. Six months later, or on January 1 of this year, deposits had increased to $4,997,008.19, with a corresponding increase in surplus and profits to $1,075,877.16.

The Planters' National Bank was organized in 1865 and has a capital to-day of $300,000 with over $6,000,000 of resources. The present officers are: James N. Boyd, president; J. J. Montague, vice-president; Richard H. Smith, cashier.

—Beverly D. Harris, for the past year cashier of the Comercial National Bank of Houston, Texas, will henceforth be with the South Texas National Bank in the same capacity. J. E. McAshan, for many years the cashier of the South Texas, will continue in the management as active vice-president of the institution.

With the addition of Mr. Harris to the active management, the personnel of the official staff of the bank is otherwise unchanged, and includes Charles Dillingham, president; J. E. McAshan, Henry Brashear, O. T. Holt and H. F. MacGregor, vice-presidents; B. D. Harris, cashier; Charles A. McKinney and Charles F. Schultz, assistant cashiers.

—Members of the Texas Bankers' Association will enjoy an excursion this summer through the Northwest to Seattle and return, the trip to last thirty days.

Last year between 150 and 200 bankers and members of their families went on the excursion, which combines a pleasure trip and a little missionary work in booming Texas.

—Banking and banking laws were the subjects discussed by the Atlanta (Ga.)

Credit Mens' Association at a meeting held February 27. Among those who spoke were Hon. Asa G. Candler, Joseph A. McCord, T. D. Meador, State Treasurer R. L. Park and others. All the speakers advocated laws which would require stronger and better examinations.

H. E. Choate, who presided at the meeting, declared that the association was not hostile to banking interests, but wanted the co-operation of conservative banks.

—The First National Bank of Alexandria, Va., has acquired a very desirable location on one of the principal streets and will take steps at once for the erection of a handsome bank building.

—At a directors' meeting held March 19 the Georgia Savings Bank and Trust Company declared its usual dividend of three per cent. to stockholders. Reports showed that the earnings for the past six months have exceeded those for any similar period in the history the bank. The Georiga Savings Bank and Trust Company is Atlanta's oldest savings bank.

—Owing to the inability to collect outstanding notes, the officers of the City National Bank of Greensboro, N. C., have decided to liquidate its affairs. Negotiations are in progress with another bank to take over its collateral and assume the payment of all deposits. The assets are $800,000 and liabilities are about the same.

—Application will be made for a charter for the Union Savings Bank at Adrian, Ga., as soon as the advertisement required by law can be completed. The bank is to start business with a capital of $500,000 and with the following incorporators: T. J. James and W. F. Staten, of Emanuel county, and G. E. Youmans, T. A Cheatham and G. W. Drake, of Johnson county.

—The First National of Albany, Georgia, has absorbed the Third National of that city.

—Hon. John D. Walker, chairman of Group 5, Georgia Bankers' Association, has announced that a meeting of Group 5 will be held at Griffin, Ga., April 22, 1908, and an interesting programme has been arranged. A number of prominent bankers of Georgia will be in attendance at the meeting and will make addresses, among them Joseph S. Davis, of Albany, president of the association. Novel features will be introduced and the meeting promises to be one of the most interesting in the history of the association.

Group 5 is known as the Macon group, as distinguished from the Atlanta, Savannah, Columbus and Augusta groups, and consists of banks within a radius of 75 to 100 miles from Macon.

—Directors of the Maryland Savings Bank of Baltimore met in special session March 23 and elected William Woodward Cloud president. He succeeds his father, the late Daniel Cloud, deceased. The election came as a surprise to Mr. Cloud, who did not anticipate that the directors would take action until the next annual meeting. Summerfield Baldwin, the vice-president, let it be known that he did not care to assume these additional responsibilities and asked that a president be immediately chosen.

Mr. Cloud was advanced from the position of treasurer, which he has held for the last six years. The board has named Howard T. Williams as treasurer pro tem.

—The First National Bank of Richmond, Virginia, published in its statement of January 14 some interesting facts regarding the bank's business for the year 1907. Gross profits for the year amounted to $319,439.51, and out of this sum $80,000 was paid in dividends to the stockholders of the bank. After transferring a substantial amount to the surplus fund, and making other appropriations, the undivided profits were on January 1 $44,170.85. Between August 22 and December 3, 1907, deposits in the First National increased $441,894.77,

which is proof that the condition and conduct of the bank throughout the panic was such as to commend it to the confidence of the public.

The bank has a capital stock of $1,000,000 and the present officers are: John B. Purcell, president; John M. Miller, Jr., vice-president and cashier; Chas. R. Burnett, J. C. Joplin, W. P. Shelton, and Alex. F. Ryland, assistant cashiers.

—At a meeting of the directors of the Atlanta (Ga.) National Bank, held March 7 the books to subscribe to the increased capital stock of the bank were opened to the public, and not to include the present stockholders.

At a recent meeting the bank decided to increase its capital stock from $500,000 to $1,000,000. Of this sum $250,000 was declared in a stock dividend, which went to the present stockholders.

There will be issued $250,000 in stock, open to outsiders alone. This will come by issuing 2,500 shares, with a par value of $100, for the sum of $250 a share. This will give the required $250,000 with $375,000 as surplus and undivided profits.

With the present surplus and undivided profits and the increased capital stock of the bank this total amount will be brought up to $1,850,000.

MIDDLE STATES.

—The Ohio Bankers' Association has issued the first number of a publication called "The Ohio Banker," which will be devoted to the interests of bankers throughout the state, and is expected to aid in binding closer together the great banking fraternity of Ohio.

W. B. Jackson will edit "The Ohio Banker," which has its office in the new First National Bank building, Columbus, Ohio.

—On March 3, the Continental National Bank of Chicago passed the twenty-fifth year of its existence, having opened for business March 3, 1883. At the close of the first year the deposits were $3,600,000; at the close of 1895 they were $9,000,000; in 1900 they had increased to $31,000,000; in 1905 to $51,000,000, and to-day they total over seventy millions of dollars. Besides gaining in deposits the bank has added to its capital and surplus fund, which is now over six million dollars.

—The Title and Trust Co., of Detroit, Mich., has been organized with a capital, fully paid in, of $200,000, with the following officers and directors: President, Franklin E. Bushman; vice-president and treasurer, John H. Meyering; secretary, J. Ralph Meyering.

—Work on the Terre Haute (Ind.) Trust Company's new building is progressing rapidly and from outward appearance now, the structure is going to be a handsome one.

—It is only after passing through such a critical test as that since last October that the value of a business can be truly judged. And knowing this, the statement of the First National Bank of Nashville, Tenn., is truly a remarkable one, for it shows that the bank was able all along to strengthen its various departments and to meet all requirements on a cash basis.

The First National has a capital of $500,000 and a surplus of $300,000. Its officers are: F. O. Watts, president; D. S. Williams, vice-president; E. A. Lindsey, second vice-president; Randal Curell, cashier, and Frank K. Houston, assistant cashier.

—Complete organization of the Farmers' Savings Bank of Princeton, Iowa, has been effected and the bank is ready to open. The capital stock is $10,000 and all but a few hundred dollars of this amount has been subscribed. The new officers are well-known men and the bank will have the support of those farmers living near, who have felt the need of a bank at Princeton. J. H. Shaff is president; J. D. Dennis, vice-president, and Wm. H. Gruenwald, cashier.

—A magnificent building has been completed for the First National Bank of Englewood, Ill. It is built of light gray granite, highly polished and of buff colored limestone, elaborately carved in keeping with the Ionic style of architecture. Entrance into the main banking-room is gained through massive bronze gates which open into a vestibule finished in Italian marble, then into the public space. Excellent taste has been used in arranging the interior offices and quarters, so that the result is harmonious and convenient.

Marble pilasters relieve the otherwise plainness of the walls, while a richly-paneled ceiling with squares of colored art glass complete the scheme of decoration. The ladies' parlor is furnished in solid mahogany, with decorations of green and gold.

A wide marble staircase leads from the lower floor to the one above, where the directors' room and committee rooms are located. These are finished in quarter-sawed oak and handsomely decorated and lighted.

Officers and directors of the bank have spared neither pains nor expense to provide this suitably equipped home for the bank's business, and the results are gratifying to them in the highest degree.

—A report of the Bank of West Point, Ia., made to the court after it closed its doors in February shows that all depositors will be paid in full. The assets total $169,-691.49, while the liabilities are only $112,-187.58.

—During the present University year a series of lectures on banking and finance by practical men and experts will be given at the University of Illinois for the benefit of students of those subjects. The first series, dealing with the internal organization and management of banks, was given by William Hazzard, assistant cashier of the Commercial-German National Bank of Peoria, in the week of January 13 to 17. Mr. Hazzard dealt in a practical way with the work of the departments of a bank and the duties of the various officers and employees. His lectures were illustrated with an extensive collection of the most up-to-date forms and records used by leading banks and proved very successful and useful to the students.

—At the recent regular monthly meeting of the Bankers Club of Des Moines, Iowa, an interesting paper was read by State Librarian Johnson Brigham on "Bankers in Literature." Mr. Brigham divided his subject into three parts namely, the literature of banking; the banker as a producer of literature; and the banker as he figures in fiction and poetry. He treated these topics in a thorough and pleasing manner and at the conclusion of his address was given a vote of thanks by the club.

Among other good things Mr. Brigham said this:

> The highest compliment ever paid the bankers' profession was that of August Comte, who in his "Positive Philosophy" declared that the supreme government of a country should be entrusted to three bankers who should respectively take charge of commercial, manufacturing and agricultural operations.

—Alvin Campbell, assistant cashier of the Fort Dearborn National Bank, Chicago, has been elected secretary of the Northeastern Illinois Bankers' Association, known as Group 4 of the Illinois Bankers' Association.

WESTERN STATES.

—After one and one-half months of business, the Oklahoma State Bank of Muskogee makes an excellent statement of its condition. It is capitalized at $60,000 and all deposits received through its windows are

guaranteed by the guarantee funds of the state of Oklahoma. The bank now has over $250,000 in deposits and is gaining rapidly. C. B. McCluskey is president; P. W. Samuel, cashier, and M. Board, assistant cashier.

LUTHER DRAKE

Vice-President Merchants' National Bank of Omaha, Neb.

—On March 10 a man who gave his name as L. L. Lee of Rockford, Ill., entered the Merchants' National Bank of Omaha and asked to see President Luther Drake in his private office. When seated the man began to talk ramblingly about having had $5,000 in the National Bank of Commerce in Kansas City when that bank failed.

"And since all you fellows are in together you had just better hand me over my money or I'll blow you and this bank and all of us to hell!" he added, producing a three-ounce bottle containing a thick yellow liquid. "Don't you make a move," he continued. "This is filled with nitroglycerine. If you move you are a dead man."

By a happy thought Mr. Drake asked the stranger if he was not hungry and upon receiving an affirmative reply, the two adjourned to a nearby restaurant to talk the matter over. Vice-President Hamilton, who had entered the next room, had heard the man's threat and promptly telephoned to police headquarters for detectives. It was an easy matter to capture the man with his bottle and put him where he will have ample time to meditate upon the folly of making such a threat with only a bottle of colored water to back it up.

—The Boley Bank and Trust Company of Boley, Oklahoma, reopened March 1, after being suspended since February 12.

—The First State Bank of Bristow, Oklahoma, will begin business with $25,000 capital and these officers: M. Jones, president; H. M. Johnson, vice-president, and E. L. Jones, cashier.

—One of the strong banking firms of Nebraska, the Brown County Bank, recently moved into new quarters at Long Pine. The rooms are supplied with everything new and up-to-date in fixtures and are very conveniently arranged for the bank's customers.

—The National Bank of Commerce of Kansas City, Mo., reopened on March 30, with W. B. Ridgely, former Comptroller of the Currency, as president and Edward Ridgely, of New York, as cashier. Geo. T. Cutts, who was the Federal receiver in charge, is first vice-president. Stockholders have voted to increase the capital stock from $1,000,000 to $2,000,000 and to increase the number of directors from fifteen to twenty-one.

—The Lake County Bank of Madison, S. D., began business July 3, 1899, as a private bank with a capital of $10,000. On June 1, 1904, the capital was increased and a charter taken out as a state institution.

To-day the bank has a capital of $25,000, undivided profits of $42,000 and deposits of $282,687.87. John Wadden is the newly elected president and the other officers are: George E. Cochrane, cashier, and Martin F. Berther, assistant cashier.

PACIFIC STATES.

—The Spokane and Eastern Trust Company has paid an extra dividend of ten per cent. on earnings for 1907. This fell due

in December, but was deferred until the crisis was past.

The Spokane and Eastern Trust Company was formed eighteen years ago by J. P. M. Richards, the president, who has been actively in charge of its affairs ever since. The capital is $100,000, with surplus and undivided profits of $271,000. The directors have decided to increase the capital to $300,000, leaving the surplus and profits as at present. That will give a gross working capital of nearly $600,000. Present shareholders will be allowed to subscribe to the new stock at par, and it is expected that practically all will be thus taken up.

The Trust Company's annex building is rapidly nearing completion. Its features include the largest and most secure vault system on the Pacific Coast. There are twenty vaults, weighing a million pounds and costing, equipped, $50,000.

—A. R. McClaskey, cashier of the Bank of Albion, Wash., has been elected cashier of the Palouse (Wash.) State Bank, and H. C. Woodard, formerly a bookkeeper in the Palouse State Bank, will succeed Mr. McClaskey in the Bank of Albion.

—Rodney T. Badger has been elected cashier of the Utah National Bank at Salt Lake City.

—The State Bank and Trust Company of Carson City, Nevada, with branches in Goldfield, Tonopah, Manhattan and Blair, has undergone a rigid examination to satisfy the State Bank Commission that it is capable of dispensing with a receiver. The Carson City branch of the bank is in exceptionally good shape and its loans are small and well secured.

—In a recent election held by the Filer (Idaho) State Bank, newly organized, these officers were chosen: President, Geo. L. Crocker; vice-president, F. S. Hayward; cashier, F. E. Allen.

—The Miners and Merchants Bank of Chelan, Washington, has erected a modern bank home at a cost of $10,000. Part of the material used is a gray granite of fine quality, quarried just three miles from the city. All the furniture and wood finishing for the inside of the bank is of solid mahogany.

CANADA.

—Recently bills were presented before the Commons Banking and Commerce Committee for the incorporation of the Bank of Vancouver and the Bank of British Columbia. It has been decided, however, to merge the two proposed banks under the name of the Bank of Vancouver with a capital stock of two million dollars, with the head office at Vancouver.

The provisional directors of the Bank of Vancouver are the men who were formerly promoting the Chartered Bank of British Columbia, viz., Thomas W. Peterson, Jas. A. Mitchell, and Frederick W. Jones, of Victoria, B. C.; James A. Harvey, of Cranbrook; William H. Malkin, Robert P. McLennan and Henry T. Ceperley, of Vancouver.

—It is worth noting that the influence of Canadian banks in the United States is spreading rapidly and their branch offices are steadily gaining in strength and prestige. Each year there are millions of dollars loaned on the New York Stock Exchange by the Canadian banks and it is a noteworthy fact, that during the October panic the largest of these great Canadian banks did not call a dollar from the American market. Such support is worth reckoning with for any community.

—On March 16 a branch office of the Home Bank of Canada was opened in Sandwich, Ontario, in the building formerly occupied by the Sovereign Bank branch. P. M. Woods, who was teller in the Sovereign before it closed, will be given the position of head accountant in the Home branch, but it has not yet been decided whether or not there will be a new manager appointed immediately, the plan being to have it directly under the Walkerville branch, up to this time the only branch of the Home bank in this vicinity.

E. W. Horne is manager of the Walkerville branch.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report.

Applications to Organize National Banks Approved.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

First National Bank, Valley Mills, Tex.; by H. B. Sears, et al.
Commercial National Bank, Madison, Wis.; by Chas. N. Drown, et al.
Citizens' National Bank, Plainview, Tex.; by J. N. Donohoo, et al.
Union National Bank, Pasadena, Cal.; by E. H. Groenendyke, et al.
First National Bank, Spanish Fork, Utah; by F. M. Snell, et al.
Central National Bank, Dowagiac, Mich.; by Chas. E. Sweet, et al.
Emerson National Bank, Warrensburgh, N. Y.; by L. W. Emerson, et al.
Manufacturers' National Bank, North Attleboro, Mass.; by A. Totten, et al.
Commercial National Bank, Greensboro, N. C.; by F. C. Boyles, et al.
Orangeburg National Bank, Orangeburg, S. C.; by Wm. C. Wolfe, et al.
Bendersville National Bank, Bendersville, Pa.; by Wm. C. Yeatts, et al.
First National Bank, Ryder, N. D.; by Aug. Peterson, et al.
National Bank, North East, Pa.; by C. C. Hill, et al.
National Bank, Jackson, Ga.; by F. S. Etheridge, et al.
Leechburg National Bank, Leechburg, Pa.; by P. W. Morgan, et al.
First National Bank, Amherst, Neb.; by A. U. Dann, et al.
City National Bank, Martin, Tenn.; by J. W. Lewis, et al.
First National Bank, Highland, Kans.; by Geo. S. Hovey, et al.
Foard County National Bank, Crowell, Tex.; by Jno. S. Hagler, et al.
Grange National Bank, Spartansburg, Pa.; by John M. Webb, et al.
Farmers' National Bank, Mt. Pleasant, Mich.; by Walter N. Snider, et al.
First National Bank, Felton, Dela.; by F. L. Hardesty, et al.
Millersville National Bank, Millersville, Pa.; by J. Harry Pickle, et al.
Manufacturers' National Bank, Ilion, N. Y.; by John J. Town, et al.
First National Bank, Intercourse, Pa.; by Willis R. Knox, et al.
Union National Bank, Charlotte, N. C.; by H. M. Victor, et al.
First National Bank, Middleport, N. Y.; by George F. Thompson, et al.
First National Bank, Blackstone, Va.; by S. L. Barrow, et al.
Kent County National Bank, East Greenwich, R. I.; by August H. Schaller, et al.

Applications for Conversion to National Banks Approved.

People's State Bank, Waseca, Minn.; into Farmers' National Bank.
People's Bank, Woodbury, Tenn.; into First National Bank.
Wallace Banking and Trust Co., Wallace, Ida.; into Wallace National Bank.
Mechanics' Banking Co., Fostoria, Ohio; into Union National Bank.

National Banks Organized.

9042—German-American National Bank, St. Joseph, Mo.; capital, $200,000; Pres., Wm. Krug; Vice-Pres's., Henry Krug, Jr., and J. G. Schneider; Cashier, R. R. Calkins; Asst. Cashier, A. H. Bansbach. Conversion of German-American Bank.
9043—First National Bank of Highland, Monterey, Va.; capital, $25,000; Pres., Jas. R. Gilliam; Vice-Pres., J. C. Matheny; Cashier, J. A. Jones; Asst. Cashier, Clifton Matheny.
9044—National Bank, Kinston, N. C.; capital, $100,000; Pres., E. F. Cox; Vice-Pres., J.

W. Grainger; Cashier, R. C. Strong. Conversion of Bank of Kinston.

9045—First National Bank, Sedgwick, Colo.; capital, $25,000; Pres., R. T. McGrew; Vice-Pres., H. N. Linebarger; Cashier, C. B. McKinstry

9046—Park National Bank, Sulphur, Okla.; capital, $25,000; Pres., Geo. F. Hicks; Vice-Pres., Jno. R. Manning; Cashier, J. C. Chidsey; Asst. Cashier, T. F. Gafford. Conversion of Sulphur Bank and Trust Co.

9047—First National Bank, St. Johns, Oreg.; capital, $25,000; Pres., Hy. W. Coe; Cashier, F. P. Drinker.

9048—First National Bank, Welch, W. Va.; capital, $50,000; Pres., E. H. Sudduth; Vice-Pres., B. F. Williams; Cashier, R. S. Gillespie; Asst. Cashier, B. O. Swope. Conversion of Citizens' Bank.

9049—Barnett National Bank, Jacksonville, Fla.; capital, $750,000; Pres., Bion H. Barnett; Vice-Pres's., W. D. Barnett and Jno. G. Christopher; Cashier, G. R. DeSaussure; Asst. Cashiers, R. E. Wheeler and W. R. McQuaid.

9050—First National Bank, Milaca, Minn.; capital, $25,000; Pres., Chas. Keith; Vice-Pres., M. K. Rudd; Cashier, J. A. Allen; Asst. Cashier, C. H. Dahlstrom. Conversion of Farmers' State Bank.

9051—First National Bank, Winder, Ga.; capital, $50,000; Pres., W. H. Toole; Vice-Pres's., W. L. Blasingame and J. B. Williams; Cashier, W. L. Jackson.

9052—First National Bank, Odessa, Wash.; capital, $25,000; Pres., C. H. Claudius; Vice-Pres., Jno. Schaffer; Cashier, W. P. Christensen.

9053—Home National Bank, Stanton, Tex.; capital, $25,000; Pres., Chas. Ebbersol; Vice-Pres's., A. C. Eidson and T. S. Crowder; Cashier, J. E. Garrett.

9054—First National Bank, Washtucna, Wash.; capital, $50,000; Pres., W. R. Cunningham, Jr.; Vice-Pres., O. H. Greene; Cashier, Wm. A. Pearce; Asst. Cashier, J. M. Booth. Conversion of Bank of Washtucna.

9055—First National Bank, Prattville, Ala.; capital, $50,000; Pres., Allen Northington; Vice-Pres., C. E. Thomas; Cashier, Edw. Northington.

9056—Aurora National Bank, Aurora, Neb.; capital, $75,000; Pres., A. G. Peterson; Vice-Pres., Fritz Hoefer; Cashier, W. C. Keck; Asst. Cashier, C. S. Brown. Conversion of Aurora State Bank.

9057—National Bank, Leesville, S. C.; capital, $25,000; Pres., H. F. Hendrix; Vice-Pres., J. L. Matthews; Cashier, H. A. Meetze. Conversion of Bank of Leesville.

9058—Farmers and Miners' National Bank, Bentleyville, Pa.; capital, $50,000; Pres., Joseph A. Herron; Vice-Pres., T. A. Hetherington; Cashier, D. E. Lindley.

9059—National Bank, Preston, Minn.; capital, $50,000; Pres., H. R. Wells; Vice-Pres., S. A. Langum; Cashier, Wm. R. Wells; Asst. Cashier, L. J. Luhmann.

9060—East Worcester National Bank, East Worcester, N. Y.; capital, $25,000; Pres., James E. Dante; Vice-Pres., Aaren D. Hallenbeck; Cashier, Louis Dante; Asst. Cashier, Wm. E. Dante.

9061—First National Bank, White House Station, N. J.; capital, $30,000; Pres., J. N. Pidcock; Vice-Pres., Wm. E. Reger; Cashier, M. R. Cook.

9062—First National Bank, West Milton, Ohio; capital, $30,000; Pres., Robt. W. Douglas; Vice-Pres., Chas. B. Douglas; Cashier, David F. Douglas; Asst. Cashier, Gifford T. Douglas.

9063—People's First National Bank, Olivia, Minn.; capital, $25,000; Pres., C. A. Heins; Vice-Pres., Warren H. Heins; Cashier, E. G. Heins; Asst. Cashier, A. N. Nelson.

9064—First National Bank, Stephen, Minn.; capital, $25,000; Pres., H. I. Yetter; Vice-Pres., James J. Sinclair; Cashier, R. A. Whitney; Asst. Cashier, C. A. Renny.

9065—First National Bank, Washingtonville, N. Y.; capital, $25,000; Pres., Edward R. Emerson; Vice-Pres., Jno. Y. Gerow; Cashier, Bradner Cameron.

9066—First National Bank, Union Bridge, Md.; capital, $25,000; Pres., Danl. Wolfe; Vice-Pres., Jno. N. Weaver; Cashier, Edw. F. Olmstead.

9067—Commercial National Bank, Raleigh, N. C.; capital, $100,000; Pres., B. S. Jerman; Vice-Pres., Alf. A. Thompson; Cashier, H. W. Jackson; Asst. Cashier, E. B. Crow. Conversion of Commercial and Farmers' Bank.

9068—Third National Bank, Walla Walla, Wash.; capital, $100,000; Pres., A. R. Johnson; Vice-Pres., Geo. E. Kellough; Cashier, Fred W. Wilson; Asst. Cashier, O. M. Beatty.

9069—First National Bank, Strawberry Point, Ia.; capital, $25,000; Pres., A. Hanson; Vice-Pres., A. O. Kingsley; Cashier, F. J. Gressler.

9070—Northwestern National Bank, Bellingham, Wash.; capital, $100,000.; Pres., Irvine J. Adair; Vice-Pres., C. X. Larrabee; Cashier, C. K. McMillin; Asst. Cashier, Olaf Udness.

9071—McDowell County National Bank, Welch, W. Va.; capital, $100,000; Pres., Isaac T. Mann; Vice-Pres., H. D. Hatfield; Cashier, I. J. Rhodes; Asst. Cashier, R. C. McClure. Conversion of McDowell County Bank.

9072—First National Bank, Goldsboro, Pa.; capital, $25,000; Pres., C. E. Bair; Vice-Pres's., G. W. Bamberger, C. F. Williams and J. F. Zortman; Cashier, Wm. N. Mansberger.

9073—First National Bank, Fort Branch, Ind.; capital, $25,000; Pres., Willis G. Stiefel; Vice-Pres., Chas. B. Runcle; Cashier, Chas. Hatch.

9074—American National Bank, Cordele, Ga.; capital, $100,000; Pres., L. O. Benton; Vice-Pres's., C. C. Greer and R. L. Wilson; Cashier, J. W. Cannon; Asst. Cashier, E. A. Vinson. Conversion of Merchants and Farmers' Bank.

9075—Cavalier County National Bank, Langdon, N. D.; capital, $25,000; Pres., W. J. Mooney; Vice-Pres., W. F. Winter; Cashier, Jno. Sheehan; Asst. Cashier, Adam J. Barker.

9076—People's National Bank, Salisbury, N. C.; capital, $100,000; Pres., D. R. Julian; Vice-Pres., P. H. Thompson; Cashier, J. D. Norwood; Asst. Cashier, J. A. Peeler. Conversion of People's Bank and Trust Co.

9077—Farmers and Merchants' National Bank, Fort Branch, Ind.; capital, $25,000; Pres., W. L. West; Vice-Pres., Gerhard Sollman; Cashier, S. H. West. Conversion of Farmers and Merchants' Bank.

NEW STATE BANKS, BANKERS, ETC.

CALIFORNIA.

Burbank—Burbank State Bank; capital, $25,000; Pres., H. A. Church; Vice-Pres., A. O. Kendall; Cashier, C. C. Cottle; Asst. Cashier, R. O. Church.

COLORADO.

Pagosa Springs—Citizens' Bank; capital, $16,000; Pres., A. J. Nossaman; Vice-Pres., J. S. Hatcher; Cashier, Fred Catchpole.

FLORIDA.

Bowling Green—State Bank; succeeded W. R. Minor & Co.; catital, $20,000; Pres., J. H. Durrance; Vice-Pres., G. H. Gill; Cashier, W. R. Minor; Asst. Cashier, C. Chester.

Jensen—St. Lucie County Bank; capital, $15,000; Pres., Herbert B. Race; Vice-Pres., M. D. Johnson; Cashier, H. D. Watts, Jr.

GEORGIA.

Macon—Harrold Banking and Savings Co.; capital, $26,000; Pres., T. H. Boone; Sec., W. E. Harrold; Treas., S. S. Shippe.

Suwanee—Brown Bank and Trust Co.; Branch of Lawrenceville; Mgr., Wm. Wilson.

ILLINOIS.

Forreston—Forreston State Bank; succeeded Bank of Forreston; capital, $60,000; Pres., Jno. T. Campbell; Vice-Pres., S. E. Campbell; Cashier, C. L. Robertson.

IOWA.

Gillett Grove—Gillett Grove Savangs Bank; capital, $10,000; Pres., Samuel Fergueson; Vice-Pres., Antone Borgloff; Cashier, F. A. Lake.

Lewis—Citizens' Bank; succeeded State Bank; Pres., W. J. Woodward; Vice-Pres., A. Morton; Cashier, E. S. Phillips; Asst. Cashier, W. T. Woodward.

Minden—German-American Savings Bank; succeeded German-American Bank; capital, $25,000; Pres., T. G. Turner; Vice-Pres., Chas. R. Hannan, Jr., Cashier, James Hunter; Asst. Cashier, Tewes Rohlfs.

Princeton—Farmers' Savings Bank; succeeded Princeton Savings Bank; capital, $10,000; Pres., J. H. Shaff; Vice-Pres., J. D. Dennis; Cashier, Wm. Gruenwald.

Sexton—Citizens' Bank; succeeded Bank of Sexton; capital, $10,000; Cashier, N. Johnson.

Storm Lake—Security Bank; capital, $50,000; Pres., L. E. Ballou; Cashier, W. A. Jones, Jr.; Asst. Cashier, L. E. Ballou, Jr.

Van Horn—Van Horn Savings Bank; capital, $12,000; Pres., Henry Kerkman; Vice-Pres., J. F. Kroln; Cashier, J. P. Kroehuke.

West Point—Farmers and Citizens' Bank; responsibility, $300,000; Pres., Fred N. Smith; Vice-Pres., C. A. Thompson; Cashier, John Shepherd; Asst. Cashier, J. F. Walljasper.

KENTUCKY.

Covington—Western German Savings Bank; capital, $23,000; Pres., Louis Fritz; Vice-Pres., Wm. Riedlin, Jr.; Cashier, Ed. Linneman.

Whitesburg—Union Bank; succeeded Whitesburg State Bank and Citizens' Bank; capital, $35,000; Pres., James P. Lewis; Vice-Pres., W. H. Potter; Cashier, B. E. Caudill; Asst. Cashier, A. C. Adams.

LOUISIANA.

Avard—People's Bank; capital, $10,000; Pres., J. B. Gillis; Vice-Pres's., L. Rogers and S. A. Wilder; Cashier, R. L. Jordan.

MARYLAND.

Rocks—Farmers' Savings Bank; Pres., E. E. Pyle; Vice-Pres., A. C. Ayres; Cashier, J. R. Ramsay.

MICHIGAN.

Remus—State Savings Bank; succeeded Bank of Remus; capital, $25,000; Pres., W. J. Orr; Vice-Pres., Wm. H. Wallace; Cashier, Geo. Bilbrough.

Smith's Creek—Smith's Creek Bank of Peck, Wilson & Co., Cashier, F. H. Wilson.

MINNESOTA.

Callaway — First State Bank; succeeded Farmers and Merchants' Bank; capital, $10,000; Pres., J. Ernster; Vice-Pres., W. B. Carman; Cashier, J P. Ernster.

Grasston—First State Bank; succeeded Bank of Grasston; capital, $10,000; Pres., John Runquist; Vice-Pres., Hiram R. Elliott; Cashier, Harry A. Lamb.

Richville—Farmers' State Bank; succeeded Bank of Richville; capital, $10,000; Pres., L. W. Oberhauser; Vice-Pres., Chas. W. Higley; Cashier, C. F. Franz.

MISSISSIPPI.

Cruger—People's Deposit and Savings Bank; capital, $10,000; Pres., H. G. Kitchell; Vice-Pres., H. W. Turnipseed; Cashier, C. T. Stepp; Asst. Cashier, S. W. Whitmire.

NEVADA.

Carson City—Carson Valley Bank; capital, $25,000; Pres., Richard Kirman; Vice-Pres., Walter J. Harris; Cashier, C. G. LeMasters.

NORTH CAROLINA.

Benson—Farmers' Commercial Bank; capital, $4,000; Pres., Jno. O. Ellington; Vice-Pres., W. H. Royal; Cashier, M. T. Britt.

High Point—Home Banking Co.; capital, $25,000; Pres., T. F. Wrenn; Cashier, G. F. Kirby, Asst. Cashier, H. L. Austin.

OKLAHOMA.

Bearden—Bearden State Bank; capital, $10,000; Pres., H. L. Strain; Vice-Pres., Frank Bearden; Cashier, J. S. Bearden.

Bristow—First State Bank; capital, $25,000; Pres., M. Jones; Vice-Pres., H. M. Johnson; Cashier, E. L. Jones; Asst. Cashier, W. W. Banks.

Chicasha—Oklahoma State Bank; succeeded Chicasha Trust Co.; Pres., W. H. Gilkey; Vice-Pres's., R. K. Wootten and G. W. Barefoot; Cashier, H. L. Jarboe, Jr.; Asst. Cashiers, M. C. Cannon and Geo. S. Mead.

Clinton—Oklahoma State Bank; capital, $25,000; Pres., Otto A. Shuttee; Cashier, W. J. Aycock; Asst. Cashier, Clay Smoot.

Keifer—First State Bank; succeeded Oil Exchange Bank; capital, $10,000; Pres., C. W. Smith; Vice-Pres., J. V. Smith; Cashier, T. J. Sullivan.

Krebs—Bank of Krebs; capital, $10,000; Pres. E. A. Jones; Vice-Pres., E. C. Million; Cashier, M. J. Shannon.

Muskogee—First State Bank; capital, $25,000; Pres., Chas. W. Reid; Vice-Pres., Thomas A. Sanson; Cashier, G. B. Carstarphen.—Guaranty State Bank; capital, $25,000; Pres., J. D. Benedict; Vice-Pres's.,

J. S. Weeks and C. A. Nichols; Cashier, O. S. Mallow.
Stratford—State Bank; succeeded United States Bank; capital, $25,000; Pres., J. C. Honaker; Cashier, I. F. Honaker.

OREGON.

Yoncalla—Yoncalla State Bank; capital, $10,000; Pres., H. C. Stearns; Vice-Pres., J. F. Daugherty; Cashier, Harry Brawn.

PENNSYLVANIA.

Tamaqua—Citizens' Banking and Trust Co.; capital, $125,000; Pres., M. A. Gerber.

TENNESSEE.

Hamburg—Planters and Merchants' Bank; capital, $10,000; Pres., W. G. Petty; Cashier, Terry W. Allen.

TEXAS.

Celina—Farmers and Merchants' State Bank; capital, $10,000; Pres., B. F. Gearhart; Vice-Pres., W. A. Robinson; Cashier, J. E. Lipscomb.
Rowena—First State Bank; capital, $25,000; Pres., G. Schumann; Vice-Pres., C. S. Miller; Cashier, A. C. Homann.

UTAH.

Springville—Mendenhall Banking Co.; capital, $35,000; Pres., Thos. L. Mendenhall; Vice-Pres., John W. Dougall; Cashier, Guy W. Mendenhall.

WISCONSIN.

Prairie Farm—First State Bank; capital, $10,000; Pres., G. E. Scott; Vice-Pres., F. J. McLean; Cashier, H. C. Baer; Asst. Cashier, Jerome H. Coe.

CANADA.

ONTARIO.

Milverton—Metropolitan Bank; Mgr., A. J. Cundick.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

Evergreen—First National Bank; C. R. Taliaferro, Vice-Pres., in place of L. Jackson.
Geneva—First National Bank; J. R. Clark, Pres., in place of W. E. Holloway; W. B. Hammond, Cashier, in place of J. R. Clark.
Jasper—First National Bank; no Vice-Pres. in place of J. M. Cranford; F. A. Merrell, Asst. Cashier.
Montgomery—Exchange National Bank; J. K. Jackson, Cashier, in place of Sylvain Baum.—New Farley National Bank; Jno. J. Flowers, Cashier, in place of L. W. Tyson; no Asst. Cashier in place of Jno. J. Flowers.

ARIZONA.

Globe—First National Bank; resumer business February 29.

ARKANSAS.

Batesville—Maxfield National Bank; title changed to National Bank of Batesville.
Knoxville—First Bank; title changed to Farmers and Merchants' Bank.
Waldo—Bank of Waldo; consolidated with Merchants and Farmers' Bank, under former title; capital, $50,000; M. F. Brazell, Vice-Pres.; M. D. Clark, Asst. Cashier.

CALIFORNIA.

Escondido—First National Bank; G. F. Merriam, Vice-Pres.; F. D. Hall, Cashier, in place of S. A. Reed.
Los Angeles—Central National Bank; Geo. Mason, Pres., in place of Wm. Mead; no Vice-Pres., in place of P. W. Weidner; A. M. Beamon, Asst. Cashier.—Globe Savings Bank; R. H. Morse, Cashier, in place of E. J. Scott, deceased; G. M. Derby, Asst. Cashier.

COLORADO.

Denver—Central National Bank; J. B. Lazear, Second Vice-Pres.—Citizen's Trust and Savings Bank; title changed to Citizen's Savings Bank.
Rico—David Swickhimer, resumed business.

CONNECTICUT.

Meriden—Home National Bank; A. Chamberlain, Pres.

DISTRICT OF COLUMBIA.

Washington—Commercial National Bank; Geo. W. White, First Vice-Pres., in place of R. A. Chester; G. O. Walson, Cashier, in place of Geo. W. White.

GEORGIA.

Cochran—First National Bank; J. B. Thompson, Cashier, in place of J. P. Peacock.
Ocilla—First National Bank; J. W. Strange, Cashier, in place of R. H. Johnson; E. A. Tapp, Asst. Cashier, in place of J. A. Henderson.
Toccoa—First National Bank; D. J. Simpson, Pres., in place of E. P. Simpson; G. W. Edwards, Vice-Pres., in place of B. T. Holland; E. P. Simpson, Cashier, in place of D. J. Simpson; E. P. Simpson, Jr., Asst. Cashier, in place of R. S. Holt.

HAWAII.

Kahului—Baldwin National Bank; H. P. Baldwin, Pres., in place of H. A. Baldwin.
Lahaina—Lahaina National Bank; Henry J. Morvay, Asst. Cashier.
Wailuku—First National Bank; J. Garcia, Asst. Cashier.

IDAHO.

Lewiston—First National Bank; Norman P. Vollmer, Vice-Pres., in place of Ralston Vollmer.
Preston—First National Bank; C. L. Greaves, Asst. Cashier.

ILLINOIS.

Blandinsville—First National Bank; C. R. Huston, Vice-Pres., in place of D. F. Beacom; M. B. Welsh, Cashier, in place of F. S. Greene; no Asst. Cashier in place of M. B. Welsh.
Leland—First National Bank; Harry W. Watts, Pres., in place of Stephen Hum.
Mount Carmel—American National Bank; M. J. White, Cashier, in place of G. C. Harvey.
Mount Vernon—Ham National Bank; C. R. Keller and E. B. Hinman, Asst. Cashiers.
Percy—First National Bank; W. C. Davis, Jr., Vice-Pres., in place of E. J. Krause.
Potomac—Potomac National Bank; W. H. Rice, Vice-Pres., in place of A. B. Duncan.
Ridgefarm—City National Bank; Jos. C. Kendall, VicePres., in place of G. J. Robertson; no Asst. Cashier, in place of N. T. Robertson.—First National Bank; Richard Mills, Vice-Pres., in place of L. W. Coe.
Rockford—Forest City National Bank; R. B. Spottswood, Asst. Cashier.—Rockford National Bank; M. E. Baker, Asst. Cashier.
Rock Island—Peoples National Bank; Otto Huber, Pres., in place of W. Roth; C.

Hellpenstell, Vice-Pres., in place of Otto Huber; Mr. Hellpenstell continues as Cashier.
Roseville—First National Bank; no Cashier in place of C. J. Boyd; S. W. Taliaferro, Asst. Cashier, in place of W. D. Thomas.
Salem—Salem National Bank; A. H. Bachman, Pres., in place of J. S. Martin.
Shawneetown—National Bank of Shawneetown; L. B. Goetzman, Asst. Cashier.
Sidell—First National Bank; A. M. Miller, Vice-Pres.; Geo. B. Jones, Asst. Cashier.
Springfield—First National Bank; C. C. Carroll, Vice-Pres.
St. Charles—St. Charles National Bank; P. C. Mellander, Asst. Cashier.
Strawn—Farmers' National Bank; J. T. Toohey, Asst. Cashier, in place of C. H. Tryon.
Streator—Streator National Bank; J. E. Williams, Vice-Pres.
Sumner—First National Bank; G. W. Hill, Vice-Pres., in place of H. J. Broeckmann.
Sycamore—Sycamore National Bank; E. W. Varty, Asst. Cashier.
Tamaroa—No Vice-Pres. in place of J. W. Haines, deceased.
Taylorville — Taylorville National Bank; James H. Dickerson, Vice-Pres., in place of J. B. Colegrove.
Tremont—First National Bank; J. E. McIntyre, Pres., in place of F. H. Trout.
Triumph—First National Bank; O. J. Buettner, Asst. Cashier.
Urbana—First National Bank; Chester W. Richards, Vice-Pres., in place of C. W. Rolfe; Chas. B. Loeb, Asst. Cashier.
Vienna—First National Bank; W. G. Jackson, Asst. Cashier.
Waverly—First National Bank; H. I. De Turk, Vice-Pres.
Westfield—First National Bank; Ed. Duncan, Pres., in place of Joseph Goble; Robt. Endsley, Vice-Pres., in place of J. E. Carr.
White Hall—First National Bank; M. B. Ross, Vice-Pres., in place of Wm. Lavery.

INDIANA.

Huntington—Citizen's State Bank; E. T. Taylor, Pres., deceased.
Loogootee—First National Bank; Thos. W. Force, Pres., in place of W. J. McCord; T. H. Browning, Vice-Pres., in place of G. A. Walker; John L. Pate, Asst. Cashier.
New Albany—Second National Bank; Earl S. Gwin, Pres., in place of J. M. Andrew; Henry E. Jewett, Vice-Pres.; no Cashier in place of Earl S. Gwin.
Shelbyville—First National Bank; Jno H. Leefers, Vice-Pres., in place of Jno Blessing.
Sheridan—Farmers' National Bank; Jno. C. Newby, Pres., in place of A. W. L. Newcomer; A. W. L. Newcomer, Second Vice-Pres., in place of Jno. C. Newby; Hy. C. Mabrey, Third Vice-Pres.; G. A. Miller, Asst. Cashier.—First National Bank; no Vice-Pres. in place of O. A. Cox; W. J. Eberwein, Asst. Cashier.
Sullivan—National Bank of Sullivan; W. H. Burks, Asst. Cashier, in place of I. N. Snow.
Trafalgar—Farmers' National Bank; J. W. Garshwiler, Vice-Pres., in place of Frank Hellerick.
Union City—Commercial National Bank; Geo. N. Edger, Pres., in place of William Kerr.
Valparaiso—Valparaiso National Bank; Chas. W. Benton, Pres., in place of Wm. Johnston; A. D. Bartholomew, Vice-Pres., in place of Chas. W. Benton.
Vernon—First National Bank; Wm. E. Dawson, Asst. Cashier, in place of B. C. Green.
Winamac—Citizens' National Bank; A. P. Vurpillat, Asst. Cashier, in place of C. L. Bader.

IOWA.

Crystal Lake—First National Bank; J. O. Osmundson, Pres., in place of W. B. Vaughan; W. B. Vaughan, Vice-Pres., in place of J. O. Osmundson.
Inwood—First National Bank; Herbert Renshaw, Pres., in place of E. Renshaw; H. J. Hanson, Vice-Pres., in place of Herbert Renshaw.
McGregor—First National Bank; T. S. Richards, Cashier, in place of W. R. Kinnaird; Mr. Kinnaird continues as Vice-Pres.
Prairie City—First National Bank; W. D. Scott, Cashier, in place of F. S. Risser.
Stuart—First National Bank; Jacob F. Blackman, Vice-Pres., in place of A. C. Curtis; A. C. Curtis, Cashier, in place of Jacob F. Blackman.
Swea City—First National Bank; C. F. Berggren, Asst. Cashier.
Tabor—First National Bank; C. O. Laird, Asst. Cashier.
Thornton—First National Bank; E. D. Allen, Vice-Pres., in place of W. V. Crapser.
Traer—First National Bank; R. H. Moore, Pres., in place of L. E. Wood; W. J. Ladd, Cashier, in place of R. H. Moore; E. E. Yelinek, Asst. Cashier, in place of W. J. Ladd.
Waterloo—Black Hawk National Bank; M. A. Buchan, Vice-Pres.
Williams—First National Bank; L. W. Schroeder, Vice-Pres., in place of W. S. Worthington.
Wyoming—First National Bank; J. S. Robertson, Asst. Cashier, in place of B. Tourtellot.

KANSAS.

Beloit—First National Bank; J. E. Smith, Cashier; no Asst. Cashier in place of J. E. Smith.
Longton—First National Bank; B. B. Bone, Vice-Pres., in place of Logan Antle; L. E. Roberts, Cashier, in place of R. J. Conneway.
Sabetha—National Bank; A. J. Collins, Pres., in place of G. A. Guild; W. R. Guild, Cashier, in place of A. J. Collins.
Scott City—First National Bank; W. S. Manker, Vice-Pres.
Sedan—People's National Bank; H. W. Loomis, Asst. Cashier.
Stockton—Stockton National Bank; E. J. Jackson, Asst. Cashier.
Valley Center—Valley Center State Bank, and Citizens' State Bank, consolidated under former title.
Washington—Washington National Bank; J. S. Alspaugh, Pres., in place of A. S. An-

drews; J. M. Jones, Cashier, in place of J. S. Alspaugh.

Wetmore—First National Bank; Mrs. F. P. Achten, Asst. Cashier, in place of L. A. Achten.

Wichita—Fourth National Bank; G. G. Tucker, Asst. Cashier.—National Bank of Wichita; C. W. Sheldon, Asst. Cashier.

Yates Center—Yates Center National Bank; no Vice-Pres. in place of L. M. Beck; Frank F. Hogueland, Asst. Cashier.

KENTUCKY.

Barbourville—First National Bank; W. R. Barner, Asst. Cashier.

Hazard—First National Bank; J. P. Brown, Cashier, in place of T. A. Bowles.

Horse Cave—First National Bank; W. V. Bell, Cashier.

Scottsville—First National Bank; J. L. Henninger, Asst. Cashier.

Somerset—Farmers' National Bank; J. C. Goode, Second Vice-Pres.

Uniontown—First National Bank; W. T. Neuman, Cashier, in place of Gabrielle Hamilton.

West Liberty—First National Bank; T. J. Daniel, Asst. Cashier.

LOUISIANA.

Morgan City—First National Bank; C. P. Lynch, Asst. Cashier.

MARYLAND.

Baltimore—Farmers and Merchants' National Bank; C. G. Osburn, Vice-Pres.; Mr. Osburn continues as Cashier.

Canton—Post-office address changed from Canton to Station J, Baltimore.

MASSACHUSETTS.

Boston—New England National Bank; S. W. Holmes, Cashier, in place of A. C. Kollock; Mr. Holmes continues as Vice-Pres.—New England Trust Co.; Alexander Cochrane, Vice-Pres., in place of Chas. H. Dalton.

MICHIGAN.

Detroit—Union Trust Co.; Frank W. Blair Pres.

Ishpeming—Miners' National Bank; George Hathaway, Second Asst. Cashier.

MINNESOTA.

Appleton—First National Bank; P. E. O'Connor, Vice-Pres.

Bird Island—Bank of Bird Island; title changed to State Bank; capital increased to $15,000.

Brooten—Bank of Brooten; title changed to State Bank; W. J. Bohmer, Vice-Pres.

Finlayson—Bank of Finlayson; title changed to First State Bank; capital, $10,000; M. W. Tuttle, Pres.; C. W. Dixon, Vice-Pres.; J. H. Lingren, Cashier.

Graceville—First National Bank; R. J. McRae, Pres., in place of John McRae, deceased; B. J. McRae, Vice-Pres., in place of R. J. McRae.

International Falls—First National Bank; F. P. Sheldon, Pres., in place of E. W. Backus; G. N. Millard, Cashier, in place of C. B. Kinney.

Janesville—Janesville Bank, and Waseca Co. Bank, consolidated under title of Janesville State Bank; John Finley, Pres.; J. H. Murphy, Vice-Pres.; E. Diendonne, Cashier; W. A. Born, Asst. Cashier.

Mankato—National Bank of Commerce; C. L. Oleson, Pres., in place of A. O. Oleson; T. J. Dickson, Cashier, in place of C. L. Oleson.

Minneapolis—Minnesota National Bank; C. S. Welch, Asst. Cashier.—National Bank of Commerce; I. F. Cotton, Asst. Cashier.

Montevideo—First National Bank; Jno. O. Anderson, Cashier, in place of M. E. Titus.

Moorhead—First National Bank; Lew A. Huntoon, Pres., in place of John Lamb; A. H. Costain, Cashier, in place of Lew A. Huntoon; E. D. Askegaard, Asst. Cashier, in place of A. H. Costain.

Northfield—Northfield National Bank; no Cashier in place of S. A. Netland.

Ortonville—Citizens' National Bank; H. F. Thompson, Vice-Pres., in place of R. W. Green.

Osakis—First National Bank; J. A. Caughren, Vice-Pres., in place of Geo. Herberger; C. G. Millard, Asst. Cashier, in place of O. M. Lofgren.—Osakis State Bank; F. H. Borchert, Pres.

Plainview—First National Bank; M. D. Fuller, Pres., in place of A. L. Ober; James R. Wedge, Vice-Pres., in place of J. J. Reiter; Emil A. Boie, Cashier, in place of M. D. Fuller.

Red Wing—First National Bank; J. Henry Cross, Pres., in place of F. H. Wellcome; F. H. Wellcome, Vice-Pres., in place of J. Henry Cross.

Redwood Falls—First National Bank; Ella M. Seebeck, Asst. Cashier.

Rochester—Rochester National Bank; R. H. Armistead and R. C. Nowell, Asst. Cashiers.

Royalton—First National Bank; Chas. C. Lisle, Asst. Cashier.

Rush City—First National Bank; Alfred Anderson, Asst. Cashier.

Rushford—First National Bank; J. M. Webster, Asst. Cashier.

Sauk Centre—Merchants' National Bank; J. A. Du Bois, Pres., in place of Henry Keller; W. F. Keller, Vice-Pres., in place of J. A. DuBois.

Sherburn—Sherburn National Bank; Leo Howard, Asst. Cashier.

Slayton—First National Bank; Walter J. Morgan, Asst. Cashier, in place of C. F. Paxton.

Sleepy Eye—First National Bank; A. I. Mellenthin, Asst. Cashier.

Spring Valley—First National Bank; F. J. Harris, Pres., in place of T. L. Beiseker; W. B. Hutton, Vice-Pres., in place of F. J. Harris.

St. Cloud—First National Bank; L. W. Collins, Vice-Pres.

St. James—Citizens' National Bank; J. A. Sundt, Asst. Cashier, in place of G. A. Beck.

St. Paul—Capital National Bank; E. A. Schroeder, Asst. Cashier.—National German-American Bank; M. R. Knauft, Asst. Cashier.

Tenstrike—Beltrami County Bank; title changed to Beltrami County State Bank; A. P. White, Vice-Pres.

Thief River Falls—First National Bank; A. J. Anderson, Asst. Cashier, in place of C. A. Baker.

Tracy—First National Bank; L. Houston, Asst. Cashier.

Twin Valley—First National Bank; G. F. Peterson, Asst. Cashier.

Tyler—First National Bank; A. Stageberg, Asst. Cashier, in place of E. Berquist; A. Pedersen, Asst. Cashier.

Virginia—First National Bank; Penticost Mitchell, Pres., in place of E. B. Hawkins; C. B. Lenout, Vice-Pres.

Wadena—First National Bank; G. G. Hastings, Cashier, in place of E. J. Austen; R. L. Baumbach, Asst. Cashier, in place of W. B. Jackson.

Warren—First National Bank; Geo. G. Johnson, Asst. Cashier.

Waseca—First National Bank; C. N. Norton, Pres., in place of J. B. Sullivan.

Wells—Wells National Bank; H. W. Burcho, Vice-Pres., in place of A. O. Oleson.

Wheaton—First National Bank; Chas. E. Houston, Vice-Pres., in place of Jared Burton; Jared Burton, Cashier, in place of E. Rustad; Fred H. Klawon, Asst. Cashier, in place of L. K. Schwarz.

Winona—First National Bank; W. A. Mahl, Asst. Cashier.

MISSISSIPPI.

Tupelo—First National Bank; J. Q. Robins, Pres., in place of S. T. Harkey; W. W. Trice, Vice-Pres., in place of J. Q. Robins.

MISSOURI.

Excelsior Springs—First National Bank; A. M. Bates, Pres., in place of C. D. Wale; Jas. T. Rice, Vice-Pres., in place of A. M. Bates.

Marceline—First National Bank; F. G. Lancaster, Asst. Cashier.

St. Louis—Central National Bank; Jno. J. Broderick, Vice-Pres.—Merchants'-Laclede National Bank; E. B. Clare-Avery, Asst. Cashier.—National Bank of Commerce; H. C. Burnett, Asst. Cashier.—Third National Bank; H. Haill, Asst. Cashier.—Washington National Bank; L. W. Quick, Pres., in place of James Wilson; James Wilson, Vice-Pres., in place of L. W. Quick.

Unionville—Marshall National Bank; Noah Martin, Vice-Pres., in place of E. N. Monroe.

Webb City—National Bank of Webb City; W. W. Wampler, Vice-Pres., in place of C. H. Murray.

MONTANA.

Butte—Silver Bow National Bank; Zephin Job and H. D. Blair, Asst. Cashiers.

Glendive—First National Bank; M. J. Hughes, Asst. Cashier.

NEBRASKA.

Creighton—Creighton National Bank; J. W. Bingenheimer, Cashier, in place of F. P. Berger.

Crofton—First National Bank; J. L. Zurcher, Vice-Pres., in place of H. J. Huennekens; J. H. Reifeurath, Asst. Cashier.

Scottsbluff—First National Bank; Geo. W. King, Pres., in place of S. H. Burnham; Chas. R. Raymond, Vice-Pres., in place of Geo. W. King; Emil Starn, Asst. Cashier.

Seward—First National Bank; Herman Diess, Vice-Pres.; J. F. Zimmerer, Asst. Cashier.—Jones National Bank; J. J. Thomas, Vice-Pres.

Sidney—First National Bank; C. D. Essig, Vice-Pres., in place of A. Pease.

South Omaha—Live Stock National Bank; Thos. E. Gledhill, Vice-Pres.

Stanton—First National Bank; A. P. Pilger, Asst. Cashier.

Tobias—Tobias National Bank; David Upton, Vice-Pres., in place of E. E. Goodrich; Mrs. Daisy Upton, Cashier, in place of F. P. Steele.

Union—Bank of Union; incorporated to State Bank; M. H. Shoemaker, Pres.; L. G. Todd, Vice-Pres.; W. F. Tracy, Cashier; E. M. Tracy, Asst. Cashier.

Wahoo—Saunders County National Bank; F. J. Kirckman, Vice-Pres.

Wayne—First National Bank; Frank E. Strahan, Pres., in place of J. M. Strahan, deceased; Jno. T. Bressler, Vice-Pres., in place of Frank E. Strahan.

Weeping Water—City National Bank; C. W. Bish, Cashier, in place of J. A. Donelan.

York—First National Bank; E. J. Wightman, Vice-Pres., in place of G. P. Chessman; Mr. Wightman continues as Cashier.

NEW JERSEY.

Phillipsburg National Bank; Jno. A. Bachman, Pres., in place of S. Boileau; J. L. Lomerson, Cashier, in place of Jno. A. Bachman; A. L. Reiley, Asst. Cashier.

Plainfield—City National Bank; W. P. Smith, Vice-Pres., in place of J. T. Closson; Wm. F. Arnold, Vice-Pres.; Mr. Arnold continues as Cashier.

Roselle—First National Bank; C. H. Crane, Second Vice-Pres.

Spring Lake—First National Bank; E. V. Patterson, Vice-Pres., in place of W. H. Potter.

Tenafly—First National Bank; W. H. Noyes, Pres., in place of C. E. Finlay; J. Ostermann, Jr., Vice-Pres., in place of W. H. Noyes.

Trenton—Mechanics' National Bank; J. C. Slack, Asst. Cashier.

Westwood—First National Bank; Robt. Dickson, Vice-Pres., in place of W. E. Holloway; Isaac D. Bogert, Vice-Pres.; C. T. Trimble, Cashier.

NEW MEXICO.

Clayton—First National Bank; Elton Everett, Cashier, in place of N. E. Whitworth; T. H. Rixey, Asst. Cashier, in place of Elton Everett.

NEW YORK.

Albany—National Commercial Bank; John E. Walker, Vice-Pres.

Amsterdam—First National Bank; T. H. B. Crane, Cashier, deceased.

Brooklyn—First National Bank; Joseph Huber, Pres., in place of J. G. Jenkins; Marshall S. Driggs, Vice-Pres., in place of A. J. Leonard; Wm. S. Irish, Cashier, in place of G. W. Field.

Buffalo—Erie County Savings Bank; R. S. Donaldson, Pres.; G. B. Rich, Vice-Pres.; R. D. Young, Sec'y; S. B. Lee, Asst. Sec'y.

Downsville—First National Bank; A. H. Griffith, Cashier, in place of J. M. Humphrey; no Asst. Cashier in place of A. H. Griffith.

Griffin Corners—First National Bank; J. M. Humphrey, Cashier, in place of C. V. Spriggs.

Jamestown—Farmers and Merchants' Bank; E. B. Crissey, Vice-Pres., deceased.
New York City—Hudson Trust Co.; capital reduced from $1,000,000 to $500,000;—Lincoln Trust Co.; Alexander S. Webb, Jr., Pres.; Abram M. Hyatt, Owen Ward and Wm. Barrows, Jr., Vice-Pres's.; Horace F. Poor, Treas.—Maiden Lane Savings Bank; Julius Heynen, Sec'y, in place of Maurice Maas, deceased. — Mercantile National Bank; Willis G. Nash, Pres., in place of S. M. Milliken; William H. Taylor, Vice-Pres., in place of G. H. Milliken; no Asst. Cashier in place of A. W. Day.—New York Trust Co.; Alexander S. Webb, Jr., Vice-Pres., in place of W. V. King; W. N. Bucker, Vice-Pres.; Walter E. Drummond, Treas.—United States Mortgage and Trust Co.; F. J. Parsons, Asst. Sec'y; H. L. Servoss, Asst. Treas.—Knickerbocker Trust Co.; resumed business March 26; Chas. H. Keep, Pres., in place of A. F. Higgins; Harris A. Dunn, Secy. and Treas.
Richfield Springs—First National Bank; Geo. T. Brockway, Pres., in place of H. C. Brockway.
Rome—First National Bank; Thos. G. Nock, Vice-Pres., in place of W. R. Huntington.
Rye—Rye National Bank; H. Preston Parker, Asst. Cashier.
Saranac Lake—Adirondack National Bank; Fred T. Tremble, Asst. Cashier.
Saratoga Springs—Citizens' National Bank; Jno. Wagman, Vice-Pres., in place of G. M. Crippen.
Seneca Falls—Exchange National Bank; C. S. Hood, Vice-Pres., in place of S. S. Gould; M. W. Jacoby, Asst. Cashier.
Sidney—Sidney National Bank; James L. Clark, Pres., in place of Jno. A. Clark; Howard J. Godfrey, Cashier, in place of James L. Clark.—People's National Bank; James Jameson, Pres.; W. A. Gifford, Vice-Pres., in place of James Jameson.
Silver Springs—Silver Springs National Bank; W. B. Powell, Vice-Pres., in place of G. M. Blackmer.
South Glens Falls—First National Bank; M. B. Parks, Vice-Pres., in place of C. P. Callen.
Stapleton—Stapleton National Bank; P. T. Wood, Asst. Cashier.
Utica—Utica City National Bank; Thos. F. Baker, Vice-Pres., in place of Geo. Hatfield.
Vernon—National Bank of Vernon; F. A. Gary, Pres., in place of W. G. Strong; J. J. Bartholomew, Vice-Pres., in place of F. A. Gary.
Wellsville—First National Bank; F. W. Higgins, Cashier, in place of G. B. Wilcox. — Citizens' National Bank; L. H. Davis, Cashier, in place of E. C. Brown; Norman D. Otis, Asst. Cashier.—First National Bank; E. C. Brown, Pres., in place of G. E. Brown; G. H. Witter, Vice-Pres.; no Cashier in place of G. B. Wilcox.
Westfield—National Bank of Westfield; Alburn E. Skinner, Vice-Pres.
West Winfield — West Winfield National Bank; C. H. Chesebro, Vice-Pres., in place of O. L. Southworth.
Whitesville—First National Bank; P. W. Lawrence, Vice-Pres.; Lester J. Fortner, Cashier, in place of F. R. Mather.

OHIO.

Marietta—First National Bank; J. S. Goebel and G. C. Best, Vice-Pres's.; Mr. Goebel continues as Cashier; R. N. Payne and Jno. C. Otto, Asst. Cashiers.
Medina—Medina County National Bank; C. Frank, Vice-Pres., in place of H. O. Wood; S. H. Brainard, Cashier, in place of B. Hendrickson.
Middletown—First National Bank; Chas. J. Brooks, Asst. Cashier.—Merchants' National Bank; S. J. Sorg, Pres., in place of W. L. Dechant.
Milford—Citizens National Bank; J. H. Anderson, Pres., in place of William R. Fee; William R. Fee, Vice-Pres.
Mingo Junction—First National Bank; Saml. S. Dean, Vice-Pres., in place of Henry Scott.
Montpelier—First National Bank; Jerry Drake, Vice-Pres., in place of F. W. Shammel.—Montpelier National Bank; Jobe Hodson, Pres., in place of W. S. Boon; A. P. Rothenberger, Vice-Pres., in place of Jobe Hodson.
Oakharbor—First National Bank; W. Timmerman, Asst. Cashier.
Powhatan Point—First National Bank; B. F. Disque, Pres., in place of H. J. Zink.
Toledo—Second National Bank; M. W. Young, Pres., in place of Edwin Jackson, deceased.

OKLAHOMA.

Ada—Citizens National Bank; W. D. Hays, Cashier, in place of F. O. Harriss; no Asst. Cashier in place of W. D. Hays.
Arapahoe—First National Bank; J. A. Carlberg, Asst. Cashier, in place of G. E. Marsh.
Ardmore—Ardmore National Bank; R. W. Randol, Vice-Pres., in place of J. C. Thompson.—Bankers National Bank; P. C. Dings, Pres., in place of C. W. Baumbach; S. T. Bledsoe, Vice-Pres., in place of P. C. Dings; J. S. Wallace and N. B. Feagin, Asst. Cashiers.—City National Bank; O. H. Wolverton, Asst. Cashier.—First National Bank; Ed. Sandlin, Asst. Cashier, in place of C. S. Maupin.
Bartlesville—American National Bank; R. S. Litchfield, Vice-Pres., in place in J. S. Glenn.
Beggs—First National Bank; W. E. Brown, Vice-Pres., in place of Earl Brown.
Berwyn—First National Bank; G. W. Young, Vice-Pres., in place of F. W. Fisher; Jno. W. Massey, Cashier, in place of Chas. Bohnke.
Blackwell—Blackwell National Bank; J. F. Walker, Asst. Cashier.
Blanchard—First National Bank; C. E. Costello, Vice-Pres., in place of B. P. Smith.
Bokchito—Bokchito National Bank; O. C. Thornton, Cashier, in place of T. H. Davis. —First National Bank; W. E. Riddle, Asst. Cashier, in place of L. Hollingsworth.
Calvin—Citizens' National Bank; C. C. Atwood, Pres., in place of J. J. McAlester.—First National Bank; Jas. C. Smith, Cashier in place of O. W. Connally.
Centralia—First National Bank; K. J. Montgomery, Asst. Cashier.
Chandler—Chandler National Bank; F. A. Ashton, Vice-Pres.; F. W. Clegg, Asst. Cashier.
Chelsea—First National Bank; R. C. Bremer, Asst. Cashier.
Cherokee—First National Bank; A. H. Stout, Pres., in place of H. C. Fellow; Wm. Payton, Second Vice-Pres., in place of A. H. Stout; H. W. Moore, Cashier, in place of A. H. Stout; Viola Anderson, Asst. Cashier, in place of H. W. Moore.
Chickasha—Chickasha National Bank; F. M. Frey, Cashier, in place of J. N. Cooke; Wm. W. Clarke, Asst. Cashier.—First National Bank; C. B. Campbell, Pres., in place of H. B. Campbell; E. B. Johnson, Vice-Pres., in place of C. B. Campbell; H. B. Johnson, Vice-Pres.
Clinton—Clinton National Bank; A. C. Graves, Pres., in place of C. J. Benson; C. G. Welch, Vice-Pres., in place of H. L. Quiett; D. Montgomery, Vice-Pres.; H. L. Quiett, Cashier, in place of C. H. Nash.—First National Bank; E. K. Thurmond, Vice-Pres., in place of C. E. Gannaway; C. E. Gannaway, Cashier, in place of W. J. Aycock; L. E. Coleman, Asst. Cashier.
Coalgate—Coalgate National Bank; Wm. M. Dunn, Pres., in place of Johnson Hale; S. W. Lane, Vice-Pres., in place of S. W. W. Pomeroy.

Comanche—Comanche National Bank; J. T. Chelf, Asst. Cashier.
Cordell—City National Bank; E. K. Thurmond, Vice-Pres., in place of J. M. Armfield; J. M. Armfield, Cashier, in place of W. C. Ernest; E. E. Brown, Asst. Cashier.
Coweta—First National Bank; no Asst. Cashier in place of N. C. Ownby.
Davenport—First National Bank; Roland G. Langer, Asst. Cashier.
Davis—Merchants and Planters' National Bank; S. D. McCluskey, Cashier, in place of C. B. McCluskey; W. F. Parker, Asst. Cashier, in place of S. D. McCluskey.
Duncan—Duncan National Bank; R. J. Allen, Vice-Pres.
Durant—Farmers' National Bank; Geo. H. Harris, Asst. Cashier.
Erick— First National Bank; F. E. Beaty, Asst. Cashier.
Eufaula—Eufaula National Bank; E. G. Bailey, Asst. Cashier.—First National Bank; I. H. Nakdimen, Pres., in place of C. E. Foley; C. H. Tully, Vice-Pres.; C. B. Kagy, Cashier, in place of F. P. McConnell.
Fairfax—Fairfax National Bank; H. N. Cook, Asst. Cashier.
Fort Gibson—Farmers' National Bank; H. C. Anderson, Asst. Cashier.
Fort Towson—First National Bank; W. B. Scruggs, Cashier, in place of W. E. B. Leonard.
Foss—First National Bank; A. L. Thurmond, Pres., in place of I. C. Thurmond; F. E. Herring, Vice-Pres., in place of A. L. Thurmond; Chas. M. Hoover, Asst. Cashier, in place of L. E. Coleman.
Frederick—First National Bank; E. H. Archer, Asst. Cashier.
Granite—First National Bank; Geo. W. Wiley, First Vice-Pres., in place of M. A. Smith; P. Flynn, Second Vice-Pres.
Guymon—First National Bank; W. H. Langston, Vice-Pres., in place of J. W. Harris; W. R. Austin, Asst. Cashier, in place of J. Y. Grubbs.
Hartshorne—First National Bank; J. W. Matlyn, Asst. Cashier.
Hastings—National Bank; L. C. Wagner, Asst. Cashier.
Hobart—Farmers and Merchants' National Bank; H. A. Jones, Pres., in place of J. D. Robertson; A. C. Holland, Vice-Pres., in place of H. A. Jones.
Holdenville—American National Bank; no Asst. Cashier in place of R. W. Parmenter. —National Bank of Commerce; G. W. McShan, Vice-Pres., in place of J. M. Browning.
Hollis—First National Bank; W. S. Cross, Pres., in place of L. S. Noble; L. W. McGlothlin, Asst. Cashier.
Hominy—First National Bank; James E. Martin, Vice-Pres., in place of R. E. Bird.
Kingfisher—First National Bank; Geo. Newer, Cashier, in place of J. G. Condit; C. E. Jones, Asst. Cashier, in place of A. B. Pyle; F. E. Blanden, Asst. Cashier.—People's National Bank; B. J. Conley, Vice-Pres., in place of David Badger.
Kingston—First National Bank; Jas. N. King, Asst. Cashier.
Kiowa—First National Bank; Jno. McBride, Asst. Cashier.
Lawton—Lawton National Bank; A. B. Dunlap, Pres., in place of P. T. Benbow; P. T. Benbow, Vice-Pres., in place of A. B. Dunlap; O. T. Penney, Asst. Cashier, in place of A. E. Long.
Lindsay—Farmers' Exchange Bank and Lindsay National Bank consolidated under former title; capital, $30,000; P. R. Williamson, Pres.; Jno. C. Bryant, Vice-Pres.
Madill—First National Bank; Chas. S. Cannady, Asst. Cashier.
Mangum—First National Bank; Tom Evans, Asst. Cashier.
Marietta—Farmers' National Bank; J. Y. Gayler, Vice-Pres., in place of Sam Strauss.—Marietta National Bank; W. A. Culwell, Pres., in place of J. C. Washington; Sam Black, Jr., Asst. Cashier.
Maud—First National Bank; J. L. Oger, Vice-Pres.
McAlester—First National Bank; E. T. Bradley, Vice-Pres., in place of P. D. Brewer; Ben Mills, Cashier, in place of E. T. Bradley; no Asst. Cashier in place of Ben Mills.
Medford—First National Bank; Luella F. Stewart, Vice-Pres.
Miami—First National Bank; G. W. Clark, Second Vice-Pres.
Mill Creek—First National Bank; S. W. Frost, Vice-Pres.; B. H. Graves, Cashier, in place of J. M. Browning; D. J. Smith, Asst. Cashier, in place of B. H. Graves.—Merchants and Planters' National Bank; Elijah M. Frost, Vice-Pres., in place of E. T. Cook; L. D. Waltman, Cashier, in place of R. H. Cook; B. S. Frost, Asst. Cashier, in place of L. D. Waltman.
Mounds—First National Bank; C. P. Hale, Cashier, in place of Earl Brown.
Muskogee—City National Bank; John T. M. Johnston, Pres., in place of D. H. Middleton; B. A. Randle, Vice-Pres.; Jack L. Johnston, Cashier, in place of B. A. Randle.
Okeene—First National Bank; W. A. Richardson, Asst. Cashier.
Okemah—First National Bank; R. W. Armstrong, Asst. Cashier.—Okemah National Bank; V. K. Channing, Asst. Cashier.
Okmulgee—Okmulgee National Bank; W. R. Alexander, Asst. Cashier.
Olustee—Farmers' National Bank; C. I. Thatcher, Asst. Cashier.
Pauls Valley—First National Bank; Milas Lasater, Cashier, in place of E. C. Gage; E. W. Low, Asst. Cashier.
Pawhuska—American National Bank; Chas. Kepner, Cashier, in place of C. M. Hirt; Fred Whiles, Asst. Cashier.—Citizens' National Bank; W. T. Mosier, Vice-Pres., in place of G. S. D. Mason.
Perry—First National Bank; J. Jensen, Vice-Pres.
Ponca City—Farmers' National Bank; Bob Jamieson, Vice-Pres.; Frank Jamieson, Asst. Cashier, in place of Bob Jamieson.—First National Bank; C. F. Calkins, Vice-Pres.; N. A. Acton, Cashier, in place of E. R. Peery.
Pond Creek—First National Bank; F. J. Gentry, Vice-Pres., in place of C. S. Ingersoll; Fred Wallace, Asst. Cashier, in place of N. Wheatley.—National Bank; A. C. Glenn, Vice-Pres., in place of J. S. Harper.
Porter—Porter National Bank; W. L. Huggins, Pres., in place of J. R. Kennon; Jack L. Johnston, Vice-Pres., in place of C. P. Farrow; J. W. Hensley, Cashier, in place of C. L. Hale.
Porum—First National Bank; Tom Taylor, Asst. Cashier.
Prague—First National Bank; Geo. R. Sut-

ton, Pres., in place of H. Josey; J. O. Meyer, Cashier, in place of Geo. R. Sutton.
Pryor Creek—First National Bank; W. L. Jones, Cashier, in place of P. W. Samuel; Karl J. Moore, Asst. Cashier, in place of W. L. Jones.
Ravia—First National Bank; W. C. Hooser, Vice-Pres., in place of J. W. Craig.
Roff—First National Bank; J. H. Carson, Pres., in place of E. D. Nims; Leon Kahn, Vice-Pres., in place of A. L. Nims.
Rush Springs—First National Bank; J. A. Slaton, Pres., in place of B. P. Smith; B. P. Smith, Vice-Pres., in place of J. A. Slaton; M. J. Collins, Asst. Cashier.
Ryan—First National Bank; Jno. R. Ralls, Vice-Pres.; R. E. Fisher, Asst. Cashier.
Sallisaw—First National Bank; J. S. Lucas Asst. Cashier.
Sapulpa—First National Bank; Phil J. Lehnhard, Vice-Pres., in place of W. S. Bunting; Mr. Kehnhard continues as Cashier; B. L. De Lozier, Asst. Cashier in place of H. C. Hughes.
Sayre—First National Bank; C. C. Cabiness, Asst. Cashier.
Shattuck—First National Bank; E. F. Tubb, Asst. Cashier, in place of C. E. Bigelow.
Shawnee—Oklahoma National Bank; J. H. Ware, Vice-Pres., in place of Harry Mead.
Stillwater—First National Bank; C. W. Kentworthy, Vice-Pres., in place of L. N. Jerome.
Stonewall—First National Bank; W. E. Mooney, Pres., in place of Tom Hope; J. W. Fuller, Cashier, in place of W. E. Mooney.
Tahlequah — First National Bank; Jeter Morse, Asst. Cashier.
Taloga—First National Bank; M. Abernethy, Vice-Pres.; N. J. Rand, Asst. Cashier, in place of S. J. Trout.
Tecumseh—Farmers' National Bank; H. V. Foster, Pres., in place of M. L. Caldwell; M. L. Caldwell, Cashier, in place of A. G. Caldwell.
Temple—Farmers' National Bank; W. H. Quinette, Pres., in place of J. A. Williams; Geo. M. Paschal, Vice-Pres., in place of M. L. Henderson; A. R. McLennan, Cashier, in place of T. N. Gay.—First National Bank; T. J. Hurst, Second Vice-Pres.; C. A. Jennison, Asst. Cashier.
Terrall—First National Bank; L. H. Squires, Cashier, in place of R. R. Waldrop; no Asst. Cashier in place of W. O. Scott.
Texhoma—First National Bank; D. Gorham Jackson, Cashier, in place of H. C. Schultz.
Thomas—First National Bank; M. Abernethy, Vice-Pres., in place of J. W. Maney; W. C. Ernst, Asst. Cashier.
Tonkawa—First National Bank; W. R. Crawford, Asst. Cashier.
Tulsa—City National Bank; J. H. Simmons, Pres., in place of J. M. Hall; J. M. Hall, Vice-Pres., in place of J. H. Simmons.—Farmers' National Bank; J. V. Smith, Cashier, in place of L. D. Marr; B. F. Andrae, Asst. Cashier, in place of J. V. Smith.—First National Bank; Geo. T. Williamson, Vice-Pres., in place of C. W. Brown.
Tuttle—First National Bank; Minnie E. Bunting, Asst. Cashier.
Vinita—Cherokee National Bank; Seymour Riddle, Vice-Pres., in place of Louis Bagby; B. A. McFarland, Cashier, in place of R. V. McSpadden; Jno. A. Wise, Asst. Cashier, in place of W. M. Charlesworth.—Farmers' National Bank; F. M. Smith, Vice-Pres., in place of D. H. Wilson; J. S. Martin, Cashier, in place of F. M. Smith.
Wagoner—Wagoner National Bank; J. M. Gamble, Cashier, in place of C. W. Sheldon.
Wakita—First National Bank; no Asst. Cashier in place of F. L. Clinesmith.
Walters—First National Bank; M. C. Smith, Asst. Cashier.
Wapanucka—First National Bank; H. F. Riordan, Cashier, in place of W. O. Salmon; Mr. Salmon continues as Vice-Pres.
Waurika—Citizens' National Bank; no Vice-Pres. in place of A. A. Brenneman; no Asst. Cashier in place of A. C. Heacock.
Weatherford—First National Bank; Jno. D. Miller, Vice-Pres., in place of C. A. Huber. —German National Bank; A. A. Gray, Asst. Cashier.
Weleetka—Weleetka National Bank; Wm. Johnston, Pres., in place of T. W. Blackman; W. R. Blake, Vice-Pres., in place of J. W. Yates; I. H. Cunningham, Cashier, in place of W. R. Blake; D. W. Johnston, Asst. Cashier.
Wewoka—First National Bank; W. F. Varnum, Cashier, in place of W. E. Dixon.
Woodville—First National Bank; R. A. Owen, Pres., in place of A. G. Noble; M. N. Ayres, Cashier, in place of R. A. Owen.
Yukon—First National Bank; J. A. Faris, Vice-Pres., in place of M. V. Mulvey.

OREGON.

Arlington—Arlington National Bank; W. Lord, Pres., in place of J. W. French; Grant Wade, Vice-Pres., in place of W. Lord.
Ashland—First National Bank; F. S. Engle, Asst. Cashier.
Athena—First National Bank; Edw. E. Koontz, Asst. Cashier, in place of I. M. Kemp.
Condon—Condon National Bank; W. Lord, Pres., in place of J. W. French; Geo. B. Dukek, Vice-Pres., in place of Grant Wade. —First National Bank; Edw. Dunn, Pres., in place of J. F. Watson; Andrew Greiner, Vice-Pres., in place of Edw. Dunn.
Dallas—Dallas National Bank; R. C. Craven, Vice-Pres., in place of I. N. Woods; Aug. P. Risser, Asst. Cashier.
Eugene—First National Bank; Luke L. Goodrich, Asst. Cashier, in place of L. H. Potter.
Forest Grove—First National Bank; M. Peterson, Vice-Pres., in place of J. E. Loomis.
Heppner—First National Bank; Clyde Brock, Second Asst. Cashier.
Klamath Falls—First National Bank; J. W. Siemens, Asst. Cashier.
Marshfield—First National Bank of Coos Bay; O. B. Hinsdale, Pres., in place of J. S. Coke; John Preuss, Vice-Pres., in place of O. B. Hinsdale; R. T. Kaufman, Asst. Cashier.
Medford—First National Bank; Geo. W. Dunn, Second Vice-Pres.; Oris Crawford, Asst. Cashier.
Newberg—First National Bank; Sherman Seely, Asst. Cashier, in place of M. Redmond.
Roseburg—Roseburg National Bank; Jas. O. Newland, Vice-Pres., in place of N. Rice; W. T. Wright, Asst. Cashier.
Sheridan—First National Bank; C. A. McCulloch, Vice-Pres.; L. M. Scroggin, Cashier, in place of H. H. Winslow.

PENNSYLVANIA.

Allentown—Second National Bank; Thos. E. Ritter, Vice-Pres.; no Asst. Cashier in place of Thos. E. Ritter.
Ashley—First National Bank; W. B. Foss, Pres., in place of W. L. Raeder; John Bowden, First Vice-Pres., in place of W. B. Foss; W. L. Raeder, Second Vice-Pres., in place of John Bowden.
Athens—Athens National Bank; Dana R. Stephens, Pres., in place of Vine Crandall.
Avella—Lincoln National Bank; L. M. Irwin, Cashier, in place of D. J. Hill.
Berwick—First National Bank; M. Jackson Crispin and C. G. Crispin, Vice-Pres's.; W. J. Hehl, Asst. Cashier.
Bethlehem—Lehigh Valley National Bank; Chas. M. Dodson, Pres., in place of T. M. Dodson; Geo. W. Halliwell, Asst. Cashier.

Black Lick—First National Bank; M. S. Bell, Vice-Pres., in place of James Gardner; H. L. Taylor, Asst. Cashier.
Blairsville—First National Bank; Harry L. George, Asst. Cashier.
Bloomsburg—First National Bank; Myron I. Low, Vice-Pres.; Frank Ikeler, Cashier, in place of E. F. Carpenter.
Blue Ball—Blue Ball National Bank; H. S. Shirk, Asst. Cashier.
Boswell—First National Bank; G. A. Hoffman, Asst. Cashier.
Braddock—First National Bank; E. C. Striebich, Cashier, in place of Geo. C. Watt; Mr. Watt continues as Vice-Pres.
Bridgeport—Bridgeport National Bank; E. B. Conard, Vice-Pres., in place of J. J. McCormick.
Brookville—Jefferson County National Bank; L. B. Shannon, Asst. Cashier.
Brownsville—Monongahela National Bank; T. A Waggoner, Asst. Cashier.
Bruin—First National Bank; M. M. Lockwood, Cashier, in place of J. H. Heiner.
Burgettstown—Burgettstown National Bank; Thos. H. Huber, Asst. Cashier, in place of R. C. Cassidy; T. P. Weaver, Asst. Cashier.—Washington National Bank; R. K. Scott and J. W. Keys, Vice-Pres's., in place of J. A. Scott and D. S. Taylor; F. M. Barber, Asst. Cashier.
California—People's Bank; resumed business.
Canton—First National Bank; Clay W. Holmes, Vice-Pres.; Chas. A. Innes, Asst. Cashier.
Carrolltown—First National Bank; F. J. Brophy, Cashier, in place of T. A. Sharbaugh.
Chambersburg—Valley National Bank; Jno. R. Orr, Second Vice-Pres.; Fred B. Reed, Cashier, in place of Jno. R. Orr.
Christiana—Christiana National Bank; Roy H. Passmore, Cashier, in place of E. L. Ambler.
Clarion—First National Bank; F. M. Arnold, Vice-Pres.; Mr. Arnold continues as Cashier.
Clearfield—Farmers and Traders' National Bank; A. K. Staver, Asst. Cashier.
Coatesville—National Bank of Chester Valley; H. J. Branson, Pres., in place of J. W. Thompson; Hugh E. Stone, Cashier, in place of H. J. Branson.
Columbia—First National Bank; D. H. Detwiler, Pres., in place of H. M. North; H. M. North, Jr., Vice-Pres., in place of D. H. Detwiler.
Conemaugh—First National Bank of East Conemaugh; John H. Cooney, Cashier, in place of W. Dowling; no Asst. Cashier in place of Jno. H. Cooney.
Connellsville—Citizens' National Bank; H. M. Kerr, First Vice-Pres., in place of W. H. Brown; S. E. Frock, Second Vice-Pres., in place of H. M. Kerr.
Condersport—First National Bank; J. H. Grant, Asst. Cashier, in place of L. A. Voorhees.
Cresson—First National Bank; C. S. d'Invilliers, Vice-Pres., in place of Edw. O'Brien.
Curwensville—Curwensville National Bank; C. S. Russell, Pres., in place of W. H. Sandford; Anthony Hile, Cashier, in place of C. S. Russell.
Danville—Danville National Bank; Robert Adams, Vice-Pres.
Downingtown—Grange National Bank of Chester County; Jos. T. Miller, Pres., in place of W. E. Baldwin; Samuel E. Howell, Vice-Pres., in place of Jos. T. Miller; M. S. Broadt, Cashier.
Doylestown—Doylestown National Bank; no Vice-Pres. in place of John G. King; Mr. King continues as Cashier.
Dubois—Deposit National Bank; D. L. Corbett, Vice-Pres.—Dubois National Bank; Geo. A. Lukehart, Second Vice-Pres.; W. G. Brown, Asst. Cashier, in place of C. H. Marshall.
Dunbar—First National Bank; S. H. Patterson, Vice-Pres., in place of S. G. Valentine.
Economy—People's National Bank; R. A. Wilkinson, Pres., in place of F. G. Barker; C. I. McDonald, Vice-Pres., in place of J. F. Mitchell; Seth H. Baxter, Cashier, in place of J. S. McDonald.
Elkland—Pattison National Bank; S. A. Weeks, Cashier, in place of W. B. Foote; John O. Pattison, Asst. Cashier, in place of S. A. Weeks.
Emlenton—Farmers' National Bank; W. C. McKee, Vice-Pres.; Claud Slicker, Cashier, in place of W. C. McKee; no Asst. Cashier in place of W. R. Crawford.
Etna—First National Bank; J. W. Porter, Asst. Cashier, in place of J. H. Barker.
Evans City—Citizens' National Bank; H. M. Wilson, Vice-Pres.
Everett—First National Bank; Lesley Blackman, Asst. Cashier.
Finleyville—First National Bank; A. H. Anderson, Pres., in place of W. J. Anderson.
Franklin—Lamberton National Bank; Geo. J. Lamberton, Asst. Cashier, in place of B. J. Forsythe.
Fredericksburg—First National Bank; W. M. Glick, Vice-Pres.
Glen Campbell—First National Bank; S. L. Clark, Vice-Pres., in place of D. S. Ake; T. S. Pearce, Cashier, in place of S. L. Clark.
Harrisville—First National Bank; L. G. Brown, Asst. Cashier.
Hawley—First National Bank; C. S. Houck, Asst. Cashier.
Herndon—First National Bank; E. S. Stroub, Vice-Pres., in place of M. L. Emerick.
Homestead—First National Bank; J. H. Williams, Vice-Pres., in place of M. H.

West; Hugh Nevin, Cashier, in place of J. O. Miller.

Hooversville—First National Bank; L. A. Meyers, Second Vice-Pres., in place of R. W. McGregor; E. M. Blough, Cashier, in place of N. W. Hoffman.

Hughesville—Grange National Bank of Lycoming County; R. R. McMichael, Vice-Pres., in place of Alex. Decker.

Huntingdon—First National Bank; John Phillips, Vice-Pres.—Union National Bank; J. C. Hazlett, Pres., in place of J. F. Schock; John White, Vice-Pres., in place of J. C. Hazlett.

Irwin—First National Bank; Samuel N. Warden, Vice-Pres., in place of J. F. Wolf.

Johnsonburg—Johnsonburg National Bank; F. W. Bayless, Asst. Cashier.

Johnstown—Dollar Deposit Bank; Nathan Miller, Pres., in place of James M. Shumaker, resigned.

Kane—First National Bank; no Asst. Cashier in place of F. W. Reese.

LeRaysville—First National Bank; F. D. Robbins, Asst. Cashier.

Lewistown—Mifflin County National Bank; S. B. Weber, Pres., in place of D. W. Woods.

Mahaffey—Mahaffey National Bank; W. B. Clark, Asst. Cashier.

Mahanoy City—Union National Bank; Eli S. Reinhold, Vice-Pres.

Mansfield—First National Bank; L. M. Palmer, Asst. Cashier.

Mars—Mars National Bank; H. W. Sutton Vice-Pres., in place of Wm. Fowler.

Mifflintown—Juniata Valley National Bank; J. M. Netson, Vice-Pres.

Millsboro—First National Bank; J. W. Shay, Pres., in place of J. A. Ray.

Mohnton—Mohnton National Bank; James I. Gougler, Vice-Pres.

Monessen—First National Bank; Adolph Homann, Cashier; J. W. Manown, Asst. Cashier, in place of Adolph Homann.

Mount Pleasant—First National Bank; S. N. Warden, Vice-Pres., in place of G. W. Stoner; Mr. Stoner continues as Cashier.

Natrona—First National Bank; G. W. Forsythe, Vice-Pres.

Newcastle—First National Bank; Geo. W. Clark, Asst. Cashier.

New Freedom—First National Bank; J. F. Zeller, Vice-Pres., in place of P. O. Klinefelter.

New Milford—Grange National Bank of Susquehanna County; W. M. Van Cott, Second Vice-Pres.

Patton—Grange National Bank; H. S. Buck, Vice-Pres., in place of W. J. Weakland.

Philadelphia—Girard National Bank; C. M. Ashton, Asst. Cashier.—Investment Trust Co.; Henry R. Kingston, Pres., resigned. —National Deposit Bank; A. H. Mershon, Vice-Pres., in place of W. R. Paul.—Ninth National Bank; John G. Sonneborn, Asst. Cashier, in place of J. L. Peirsol.—Northwestern National Bank; Jos. Channon, Vice-Pres., in place of L. J. Bauer, deceased; Mr. Channon continues as Cashier. —Penn National Bank; M. G. Baker, Asst. Cashier.—Textile National Bank; Harry Brocklehurst, Vice-Pres., in place of W. S. Leib.—Tradesmen's National Bank; Howard A. Loeb, Vice-Pres.—Western National Bank; Chas. F. Wignall, Cashier; C. L. Gilliland, Asst. Cashier, in place of Chas. F. Wignall; J. Baumgartner, Asst. Cashier.

Philipsburg—First National Bank; L. W. Nuttall, Vice-Pres.

Pitcairn—First National Bank; W. H. Doty, Vice-Pres., in place of E. Gress.

Pittsburg—Commercial National Bank; no Asst. Cashier in place of G. D. Edwards.—Diamond National Bank; C. W. Arnold, Asst. Cashier.—Duquesne National Bank; W. S. Linderman, Vice-Pres., in place of A. H. Patterson; S. A. McMullen, Cashier, in place of W. S. Linderman.—German National Bank; W. W. Ramsey, Vice-Pres., in place of L. Vilsack; A. A. Vilsack, Cashier, in place of W. W. Ramsey; J. F. W. Eversmann, Asst. Cashier, in place of A. A. Vilsack.—Second National Bank; Wm. McConway, Vice-Pres., in place of G. B. Barrett.

Pleasant Unity—Pleasant Unity National Bank; J. L. Brown, Vice-Pres., in place of J. R. Tranger.

Portage—First National Bank; Wm. T. Yeckley, Cashier, in place of F. W. Eicher; D. J. McMonigal, Asst. Cashier. in place of Wm. T. Yeckley.

Quarryville—Farmers' National Bank; J. Haines Dickinson, Vice-Pres., in place of L. F. McAlister.

Reading—Farmers' National Bank; John Barhey, Vice-Pres.

Red Lion—Red Lion First National Bank; J. A. Gillen, Pres., in place of W. H. Taylor; G. E. Meyers, Cashier, in place of J. A. Gillen; no Asst. Cashier in place of G. E. Meyers.

Rices Landing—Rices Landing National Bank; M. L. Rich, Asst. Cashier.

Ridgway—Ridgway National Bank; Taylor M. Moore, Asst. Cashier, in place of Jas. Penfield.

Royersford—National Bank; E. R. Thomas. Pres., in place of H. A. Cole; no Cashier in place of E. R. Thomas; S. E. Buckwalter, Asst. Cashier.

Scranton—First National Bank; no Asst. Cashier in place of F. I. Linen.

Sharpsville—Sharpsville National Bank; Dwight Willson, Vice-Pres., in place of J. C. McDowell.

Sheffield—Sheffield National Bank; P. A. Carlson, Asst. Cashier.

Slatington—National Bank; E. W. Griffith, Vice-Pres.

Sligo—Grange National Bank; John P. Reed, Vice-Pres., in place of J. A. Smith; H. L. Patrick, Vice-Pres.

Slippery Rock—First National Bank; J. E. Stoops, Vice-Pres., in place of J. A. Aiken; Mr. Aiken continues as Cashier.

Somerset—First National Bank; F. K. Sanner, Asst. Cashier, in place of A. D. Shaffer.

Sutersville—First National Bank; Geo. H. Smith, Asst. Cashier.

Swineford—First National Bank; H. Azariah Hummel, Asst. Cashier.

Swissvale—First National Bank; Jas. Johnson, Pres., in place of Nathaniel Green.

Tamaqua—Tamaqua National Bank; C. B. Dreher, Pres., in place of F. P. Spiese; S. G. Seligman, Vice-Pres., in place of C. B. Dreher; Otto Kolb, Asst. Cashier.

Tarentum—National Bank; J. D. Wilson, Vice-Pres.—Peoples National Bank; no Asst. Cashier in place of Chas. Zimmers.

Tionesta—Citizens' National Bank; J. C. Bowman, Asst. Cashier.

Towanda—Citizens' National Bank; Wm. Maxwell, Vice-Pres., in place of W. Dittrick.

Troy—Grange National Bank of Bradford County; Lee A. Voorhees, Cashier, in place of S. F. Robinson.

Turtle Creek—First National Bank; Geo. D. Lindsay, Cashier, in place of J. W. F. White; H. S. Teats, Asst. Cashier, in place of Geo. D. Lindsay.

Union City—Home National Bank; Frank D. Smiley, Asst. Cashier.

Verona—First National Bank; Henry Berg, Vice-Pres., in place of H. W. Armstrong.

Warren—Citizens' National Bank; H. A. Booth, Pres., in place of Levi Smith.

Waynesburg—Citizens' National Bank; Dennis Smith, Pres., in place of W. P. Hoskinson; C. E. Bower, Vice-Pres., in place of Dennis Smith.

Webster — First National Bank; Andrew Brown, Pres., in place of R. A. Rankin;

William J. Rankin, Vice-Pres., in place of Andrew Brown.
West Alexander—West Alexander National Bank; H. R. Carroll, Asst. Cashier.
Wilkes Barre—Second National Bank; Edwin N. Jones, Vice-Pres.—Wyoming National Bank; Elmer E. Buckman, Asst. Cashier.
Wilkinsburg—Central National Bank; C. S. Marshall, Vice-Pres., in place of R. A. Bolph; no Asst. Cashier in place of D. H. Core.—First National Bank; F. S. Pershing, Vice-Pres., in place of A. W. Duff.
Wilmerding—East Pittsburg National Bank; C. F. Armstrong, Cashier, in place of P. W. Morgan; C. A. Gittens, Asst. Cashier, in place of C. F. Armstrong.
York—First National Bank; W. A. Keyworth, Cashier, in place of R. H. Shindel; Mr. Shindel continues as Vice-Pres.—York National Bank; Grier Hersh, Pres., in place of Henry Nes; no Vice-Pres. in place of Grier Hersh.
Youngsville—First National Bank; Wilson McGrew, Pres., in place of G. L. Morlock; A. F. Peterson, Vice-Pres., in place of Wilson McGrew.
Zelienople—First National Bank; H. M. Wise and Chas. S. Passavant, Jr., Vice-Pres's.

RHODE ISLAND.

Newport—Union National Bank; William A. Sherman, Vice-Pres., in place of G. N. Weaver.
Providence—Mechanics National Bank; C. C. Harrington, Vice-Pres.; H. B. Congdon, Asst. Cashier.—Merchants National Bank; Edward D. Pearce, Pres., in place of R. C. Taft.—National Exchange Bank; no Vice-Pres. in place of J. E. Studley.
Woonsocket—National Union Bank; Elisha T. Read, Asst. Cashier.

SOUTH CAROLINA.

Batesburg — First National Bank; Lowry Covin, Asst. Cashier.
Bennetsville—Planters' National Bank; no Asst. Cashier in place of J. U. Thomas.
Charleston—Bank of Charleston Banking Association; E. H. Pringle, Jr., Asst. Cashier.
Greenville—City National Bank; T. Q. Donaldson, Vice-Pres., in place of W. C. Cleveland.—National Bank; H. C. Markley, Vice-Pres.—Norwood National Bank; J. P. Rickman, Vice-Pres., in place of W. C. Cleveland; S. A. Moore, Asst. Cashier.
Newberry — National Bank; J. A. Blackwelder, Vice-Pres., in place of G. S. Mower.
Spartanburg—American National Bank; W. R. Justice, Asst. Cashier.—Central National Bank; John W. Simpson and Wm. A. Law, Vice-Pres's.; M. E. Bowden, Asst. Cashier.
Yorkville—First National Bank; E. M. Stanton, Asst. Cashier.

SOUTH DAKOTA.

Aberdeen—Dakota National Bank; no Vice-Pres. in place of S. O. Overley.
Arlington—First National Bank; no Asst. Cashier in place of E. A. Peterson.
Belle Fourche—First National Bank; J. R. Mork, Asst. Cashier.
Brookings—Farmers' National Bank; O. J. Otternes, Vice-Pres., in place of I. S. Binford.
Chamberlain—Brule National Bank; C. B. Mills, Vice-Pres., in place of H. W. Le Blond.
Clark—Clark County National Bank; Chas. Carpenter, Cashier, in place of Otto Baarsch.
Garretson—First National Bank; C. O. Berdahl, Cashier, in place of G. A. Aus.
Gregory—First National Bank; John D. Haskell, Pres., in place of H. F. Slaughter; D. Mathewson, Vice-Pres., in place of D. F. Felton; C. L. Haskell and E. M. Logan, Asst. Cashiers.
Howard—First National Bank; W. J. Jacobson, Asst. Cashier, in place of A. L. Lerud.
Huron—City National Bank; Robt. B. Hill, Asst. Cashier.—National Bank; no Asst. Cashiers in place of W. S. Davis and H. J. Morvay.
Milbank—First National Bank; B. S. Middlebrook, Asst. Cashier, in place of Edith C. Roberts.
Pierre—National Bank of Commerce; A. W. Ewert, Pres., in place of J. C. Eager; J. C. Eager, Vice-Pres., in place of C. L. Hyde.—Pierre National Bank; J. R. McKnight, Cashier; no Asst. Cashier in place of J. R. McKnight.
Salem—First National Bank; L. D. Kepple, Asst. Cashier, in place of G. W. Mosher.
Sisseton—First National Bank; Thos. F. Kinman, Asst. Cashier.
Spearfish—American National Bank; Chas. Pierson, Second Vice-Pres.
Tyndall—First National Bank; H. F. Abbott, Asst. Cashier.
Vienna—First National Bank; Oscar Friplie, Asst. Cashier.
Volga—First National Bank; O. E. Hillestad, Asst. Cashier, in place of L. A. Gray.
Webster—First National Bank; Floyd Yeager, Asst. Cashier, in place of John Lienlokken.
Wessington Springs—First National Bank; Rose Groth, Asst. Cashier.
White Rock—First National Bank; A. G. Molander, Asst. Cashier.
Yankton—First National Bank; F. L. Van Tassel, Pres., in place of W. H. McVay.—Yankton National Bank; no Pres. in place of Newton Edmonds, deceased.

TENNESSEE.

Camden—First National Bank; J. J. Cole, Vice-Pres.
Carthage—First National Bank; H. R. Vaughn, Cashier, in place of F. C. Stratton.
Chattanooga—First National Bank; H. S. Chamberlain and J. T. Lupton, Vice-Pres's.
Clarksville—First National Bank; John J. Conroy, Vice-Pres., in place of Michael Savage; C. W. Bailey, Cashier.
Dickson—Citizens' National Bank; W. H. McMurry, Pres., in place of W. E. Cullum; C. M. Lovell, Vice-Pres.; W. A. Meadow, Asst. Cashier.
Dyersburg—First National Bank and Bank of Commerce consolidated under former title. Capital, $100,000. Geo. E. Scott, Pres.; J. G. Latta, Vice-Pres.; J. C. Doyle, Cashier.
Fayetteville—Elk National Bank; Morgan Eslick, Asst. Cashier.
Gallatin—People's National Bank; W. H. Hitchcock, Asst. Cashier.
Harriman—First National Bank; A. McDonald, Vice-Pres., in place of P. Durflinger.
Huntland—First National Bank; T. A. Moseley, Asst. Cashier.
Jellico—First National Bank; B. C. Million, Asst. Cashier.
Knoxville—Holston National Bank; Cecil H. Baker, Acting Vice-Pres.—Third National Bank; Jno. E. McMillan, Asst. Cashier.
Lenoir City—First National Bank; C. H. Watson, Vice-Pres., in place of F. A. Weiss.
McKenzie—First State Bank and Citizens' Bank & Trust Co. consolidated under title of Citizens' State Bank. Capital, $25,000. J. E. Moseley, Pres.; G. D. McKenzie, Cashier.
Memphis—First National Bank; P. S. Smithwick, Vice-Pres.
Murfreesboro—Stones River National Bank; Joe B. B. Palmer, Asst. Cashier.
Oneida—Scott County National Bank; M. V.

Montgomery, Cashier, in place of W. C. Anderson; H. H. Anderson, Asst. Cashier.
Selmer—First National Bank; J. T. Houston, Vice-Pres., in place of H. P. Wood.
Shelbyville—People's National Bank; W. M. Bryant, Vice-Pres.
Springfield—People's National Bank; J. K. Long, Vice-Pres.

TEXAS.

Abilene—Citizens' National Bank; W. H. Free, Asst. Cashier.
Alba—Alba National Bank; G. C. Hopkins, Vice-Pres.
Albany—Albany National Bank; G. C. King, Asst. Cashier, in place of R. E. Lynch.
Alvord—Alvord National Bank; R. L. Farmer, Asst. Cashier.
Anson — Farmers & Merchants' National Bank; Lige Davis, Cashier, in place of E. M. Crump.
Austin—American National Bank; R. C. Roberdeau, Third Vice-Pres.—Austin National Bank; Wm. H. Folts, Vice-Pres.; M. Hirshfeld, Cashier, in place of Wm. H. Folts; C. M. Bartholomew, Asst. Cashier, in place of M. Hirshfeld.—State National Bank; Jno. H. Robinson, Jr., Vice-Pres., in place of L. Hancock; Pierre Bremond, Asst. Cashier.
Baird—First National Bank; B. L. Russell, Cashier, in place of T. E. Thornton; W. S. Hinds, Asst. Cashier, in place of C. B. Payne.
Bartlett—First National Bank; H. A. Breihan, Vice-Pres., in place of W. W. Walton.
Beaumont—Gulf National Bank; J. T. Shelby, Asst. Cashier.
Big Spring—First National Bank; R. C. Sanderson, Pres., in place of J. I. McDowell; J. W. Ward, Vice-Pres., in place of R. C. Sanderson; J. I. McDowell, Cashier, in place of E. O. Price.
Blanco—Blanco National Bank; G. W. Wall and R. C. Crist, Jr., Vice-Pres's., in place of L. N. Walthall and F. Heierman; Percy T. Brigham, Asst. Cashier, in place of J. W. Lindeman.
Bonham—Fannin County National Bank; J. W. Russell, Pres., in place of W. W. Russell, deceased; C. L. Bradford, Cashier, in place of J. W. Russell.
Bowie—City National Bank; C. C. Hutchison, Asst. Cashier.
Brady—Brady National Bank; Sam S. Graham, Asst. Cashier.—Commercial National Bank; J. E. White, Asst. Cashier.
Breckenridge—First National Bank; A. J. Jones, Vice-Pres., in place of B. S. Walker; B. S. Walker, Cashier, in place of P. R. Braselton.
Bronte—First National Bank; J. B. McCutchen, Pres., in place of W. A. Norman; A. J. Turner, Vice-Pres., in place of J. B. McCutchen.
Cameron—Citizens' National Bank; Walter O. Newton, Asst. Cashier.
Celeste—First National Bank; W. B. Taylor, Asst. Cashier.
Celina—First National Bank; J. L. White, Pres., in place of A. A. Fielder; S. J. Lewis, Vice-Pres., in place of Ed. Jackson; no Asst. Cashier in place of S. E. Bateman.
Center Point—First National Bank; G. P. McCorkle, Pres., in place of H. M. Burney; E. McElroy, Cashier, in place of G. P. McCorkle.
Childress—City National Bank; C. C. Badgett, Asst. Cashier.
Cisco—Citizens' National Bank; Jno. J. Winston, Vice-Pres., in place of W. H. Eddleman.—Merchants & Farmers' National Bank; C. H. Fee, Pres., in place of W. H. Eddleman; J. W. Hartman, Vice-Pres., in place of Wm. Bohning.
Clifton—First National Bank; O. A. Bronstad, Cashier; no Asst. Cashier in place of O. A. Bronstad.
Clyde—First National Bank; B. C. Clemer, Cashier.
Colorado—Colorado National Bank; H. B. Smoot, Vice-Pres.; W. J. Hatch, Cashier, in place of H. B. Smoot; T. W. Stonerood, Jr., Asst. Cashier, in place of W. J. Hatch.
Comanche—Farmers & Merchants' National Bank; Lee Hamilton, Asst. Cashier, in place of R. R. Evans.—First National Bank; B. R. Long, Asst. Cashier, in place of Lee Hamilton.
Commerce—First National Bank; L. B. England, Asst. Cashier.
Cooper—Delta National Bank; J. F. Henslee, Vice-Pres.
Corpus Christi—City National Bank; R. K. Mims, Asst. Cashier.
Cotulla—Stockmen's National Bank; T. R. Keck, Vice-Pres., in place of T. C. Frost.
Cross Plains—Farmers' National Bank; W. H. Clements and J. A. Barr, Vice-Pres's.
Daingerfield—Citizens' National Bank; Ira P. Forsyth, Asst. Cashier, in place of S. C. Williams.
Dalhart—Dalhart National Bank; M. G. Stewart, Asst. Cashier.—First National Bank; R. S. Coon, Vice-Pres.; R. L. Moore, Cashier, in place of W. T. Wheatley; J. E. Steele, Asst. Cashier, in place of R. L. Moore.
Decatur—City National Bank; W. O. Bailey, Cashier, in place of G. Williams; J. W. Lillard, Jr., Asst. Cashier, in place of J. A. Simmons.
De Leon—First National Bank; W. C. Streety, Pres., in place of W. H. Eddleman.
Denison—National Bank; J. B. McDougall, Vice-Pres.
Denton—Denton County National Bank; R. M. Barns, Asst. Cashier, in place of J. L. Blewett.—Exchange National Bank; R. L. Bass, Asst. Cashier, in place of Wylie Smith.
Deport—First National Bank; J. R. Westbrook, Vice-Pres.; Chas. L. Cunningham, Asst. Cashier.
Dublin—Dublin National Bank; R. W. Gray, Vice-Pres.
Eagle Lake—First National Bank; F. O. Norris, Vice-Pres., in place of W. T. Eldridge; Frank Stephens, Vice-Pres.
Eagle Pass—Border National Bank; S. P. Simpson, Pres., in place of W. A. Bonnet; no Cashier in place of S. P. Simpson.
El Paso—City National Bank; V. B. Andreas, Asst. Cashier.—First National Bank; James G. McNary, F. B. Gallagher and W. M. Butler, Asst. Cashiers.—State National Bank; C. N. Bassett, Vice-Pres.; Geo. D. Flory, Asst. Cashier, in place of J. H. Russell.
Emory—First National Bank; J. S. Conley, Cashier, in place of S. K. McCallon; R. L. Simmons, Asst. Cashier, in place of W. T. Neilon.
Enloe—First National Bank; J. M. Hagood, Pres., in place of C. E. Anderson; C. E. Anderson, Vice-Pres., in place of J. M. Hagood; B. B. Taylor, Vice-Pres.
Forney—City National Bank; E. D. McKellar, Asst. Cashier.
Fort Worth—Fort Worth National Bank; no Second Vice-Pres. in place of L. C. Hutchins, deceased.—State National Bank; Guinn Williams, Cashier, in place of J. C. Harrison, deceased; M. L. Woods, Asst. Cashier, in place of James Harrison.—Western National Bank; Geo. P. Levy, Pres.; F. H. McFarland, Vice-Pres., in place of Wm. Bohning.
Frost—First National Bank; Knox Doyle, Asst. Cashier.
Gainesville—Lindsay National Bank; S. M. King, Vice-Pres.
Garland—Citizens' National Bank; Ed. G. Cole, Vice-Pres.
Gatesville—First National Bank; G. W. Royalty, Vice-Pres., in place of F. M. Gardner.

Giddings—First National Bank; J. S. Hillsman, Vice-Pres., in place of C. W. Fields; J. D. Fields, Jr., Vice-Pres.; A. J. Nisbet, Cashier; H. G. Lehman, Asst. Cashier, in place of A. J. Nisbet.

Gilmer—Farmers & Merchants' National Bank; B. D. Futrell, Vice-Pres.; N. M. Harrison, Asst. Cashier.—First National Bank; F. S. Eberhart, Pres., in place of W. Boyd, Sr.; T. S. Ragland, Vice-Pres., in place of F. S. Eberhart.

Goldthwaite—Goldthwaite National Bank; no Cashier in place of F. D. Wilson.

Goliad—Commercial National Bank; L. J. Lutenbacher, Asst. Cashier.

Gorman—First National Bank; W. A. Waldrop, Pres., in place of W. H. Eddleman; W. H. Eddleman, Vice-Pres., in place of H. W. Kuteman; W. A. Hartsel, Cashier, in place of W. A. Waldrop.

Graham—Beckham National Bank; R. E. Lynch, Asst. Cashier, in place of G. F. Meece.—Graham National Bank; R. J. Johnson, Vice-Pres.

Granbury—City National Bank; J. H. Doyle, Vice-Pres.—First National Bank; A. C. Aston, Vice-Pres., in place of J. H. Doyle.

Grand View—Farmers & Merchants' National Bank; J. B. Harrell, Vice-Pres., in place of A. J. Ingle.

Grapevine—Grapevine National Bank; W. J. Borah, Vice-Pres.

Greenville—First National Bank; M. L. Moore, Asst. Cashier, in place of R. K. McAdams.

Groveton—First National Bank; L. P. Atmar, Vice-Pres.; Mr. Atmar continues as Cashier.

Hallettsville—Lavaca County National Bank; H. J. Strunk, Pres., in place of Friench Simpson; Friench Simpson, Cashier, in place of Louie Cohn; Bruno Cohn, Asst. Cashier.

Haskell—Farmers' National Bank; W. W. Murphy, Asst. Cashier, in place of J. F. Vernon.

Hawley—First National Bank; Roy Riddel, Asst. Cashier.

Henderson—First National Bank; J. M. Mays, Vice-Pres., in place of Tom Arnold.

Hereford—Western National Bank; A. J. Lipscomb, Cashier.

Hico—Hico National Bank; R. K. Sheton, Asst. Cashier.

Higgins—Citizens' National Bank; Henry Frass, Vice-Pres., in place of M. S. Jones.

Hillsboro—Citizens' National Bank; M. H. DeWitt, Asst. Cashier.—Farmers' National Bank; E. S. Davis, Pres., in place of E. M. Turner; W. M. Williams, Vice-Pres., in place of E. S. Davis; W. L. Embree, Cashier, in place of W. M. Williams; James Pritchett, Asst. Cashier, in place of W. L. Embree.

Houston—Commercial National Bank; no cashier in place of B. D. Harris.—First National Bank; E. A. Palmer, Asst. Cashier, in place of F. A. Root.—Houston National Bank; Henry S. Fox, Jr., Vice-Pres.; no Asst. Cashier in place of Henry S. Fox, Jr.—South Texas National Bank; J. E. McAshan, Vice-Pres.; B. D. Harris, Cashier, in place of J. E. McAshan.

Howe—Farmers' National Bank; C. E. Davis, Asst. Cashier.

Hubbard—Farmers' National Bank; J. T. Sanders, Vice-Pres., in place of E. B. Wood.

Iowa Park—First National Bank; Hy. O. Young, Asst. Cashier.

Italy—First National Bank; S. M. Dunlap, Pres., in place of J. V. Clark; K. G. Stroud, Cashier, in place of S. M. Dunlap.

Itasca—First National Bank; J. M. Coffin, Vice-Pres.

Jacksboro—Jacksboro National Bank; J. P. Newell, Asst. Cashier.

Jacksonville—First National Bank; A. G. Adams, Cashier, in place of O. A. Tunnell.

Kerens—First National Bank; Hallie Price, Cashier, in place of W. S. Price.

Killeen—First National Bank; Dillard Stallworth, Asst. Cashier.

La Grange—First National Bank; Aug. Warnken, Vice-Pres.

Lampasas—People's National Bank; J. C. Ramsey, Pres., in place of W. R. Williamson; no Vice-Pres. in place of J. C. Ramsey.

Laredo—Laredo National Bank; Dario Sanchez, Vice-Pres., in place of T. C. Frost. —Milmo National Bank; M. T. Cogley, Vice-Pres., in place of Eugene Kelly; J. W. Mussett, Cashier, in place of M. T. Cogley.

Lockhart—First National Bank; Ed. J. L. Green, Vice-Pres., in place of J. G. Blank.

Longview—First National Bank; L. Trice, Pres., in place of R. M. Kelly; W. K. Eckman, Vice-Pres.; T. C. Morgan, Cashier, in place of W. K. Eckman.

Lorena—First National Bank; T. F. Miles, Pres., in place of E. Rotan.

Lovelady—First National Bank; J. O. Monday, Pres., in place of W. W. West; W. W. West, Vice-Pres., in place of J. O. Monday; Roy B. Sample, Cashier, in place of C. F. Corley.

Lubbock—First National Bank; O. L. Slaton, Pres., in place of L. T. Lester; R. A. Barclay, Vice-Pres., in place of O. L. Slaton.

Mabank—First National Bank; C. M. Hearn, Vice-Pres., in place of L. C. Spikes; E. E. Treadwell, Jr., Asst. Cashier.

Madisonville—First National Bank; J. A. Herring, Pres., in place of D. H. Shapira; E. B. Seay, Vice-Pres., in place M. Y. Randolph.

Manor—Farmers' National Bank; W. G. Luedecke, Asst. Cashier, in place of N. K. Freeman.

Mansfield—First National Bank; J. Bratton, Pres., in place of S. T. Marrs; E. R. Holland, Asst. Cashier.

Marfa—Marfa National Bank; C. A. Brown, Pres., in place of R. K. Colquitt; no Second Vice-Pres. in place of J. R. Sanford.

Marlin—Marlin National Bank; J. W. Torbett, Vice-Pres., in place of H. T. Rogers; S. H. Johnson, Cashier, in place of T. J. Herron; no Asst. Cashier in place of L. B. Herron.

Marshall—First National Bank; E. S. Fry, Vice-Pres.; J. I. Carter, Asst. Cashier.

Mart—First National Bank; W. W. Woodson, Vice-Pres., in place of L. B. Smyth; Geo. D. Campbell, Vice-Pres.; E. M. Parks, Cashier, in place of W. W. Woodson.

Mason—German-American National Bank; J. W. White, Pres., in place of John Lemburg, Sr.; John Lemburg, Sr., Vice-Pres., in place of J. W. White.

Memphis—First National Bank; D. L. Kinard, Second Asst. Cashier.—Hall County National Bank; J. W. Wells, Vice-Pres., in place of W. P. Cagle; W. C. Milam, Asst. Cashier, in place of T. P. Drake; R. L. Madden, Asst. Cashier.

Merit—First National Bank; no Asst. Cashier in place of A. H. Birdsong.

Midlothian—First National Bank; J. E. Holland, Asst. Cashier.

Mineola—Mineola National Bank; M. L. Bartholomew, Second Vice-Pres.

Moody—First National Bank; Chas. Howard, Vice-Pres.

Moore—Moore National Bank; Ben Duncan, Vice-Pres., in place of W. R. King.

Mount Pleasant—First National Bank; Annie M. Towler, Pres., formerly Annie M. Moores.—Merchants & Planters' National Bank; Jesse H. Seay, Asst. Cashier.

Mount Vernon—First National Bank; R. A. Foster, Vice-Pres.

Naples—Morris County National Bank; J. W. Lewis, Vice-Pres.—Naples National

Bank; J. M. Clark, Vice-Pres., in place of L. R. Hall.
Nevada—First National Bank; A. F. Kimmey, Vice-Pres.
Nocona—Farmers & Merchants' National Bank; W. M. Gilbert, Asst. Cashier.
Oakville—First National Bank; F. H. Church, Vice-Pres.
Odessa—Citizens' National Bank; W. F. Bates, Vice-Pres., in place of B. Isbell.
Orange—Orange National Bank; S. C. Trimble, Vice-Pres., in place of G. M. Sells; G. M. Sells, Cashier, in place of H. B. Jackson.
Ozona—Ozona National Bank; Robert Massie, Pres., in place of S. E. Couch; S. E. Couch, Vice-Pres.
Palestine—Palestine National Bank; P. W. Ezell, Vice-Pres.
Paris—First National Bank; H. D. McDonald, Vice-Pres., in place of W. J. McDonald; no Asst. Cashier in place of J. S. Baker.
Pearsall—Pearsall National Bank; Geo. W. Sanders, Vice-Pres.
Pittsburg—First National Bank; W. H. Carson, Vice-Pres., in place of O. T. Holt; no Asst. Cashier in place of G. A. Swain. —Pittsburg National Bank; R. A. Morris, Vice-Pres.
Plainview—First National Bank; L. G. Wilson, Vice-Pres., in place of L. L. Dye; Guy Jacob, Asst. Cashier.
Plano—Farmers & Merchants' National Bank; Joe Bradshaw, Asst. Cashier.
Pleasanton—First National Bank; F. Hawkins, Asst. Cashier.
Port Arthur—First National Bank; W. L. Warnell, Cashier, in place of C. A. Fisher; M. A. Harris, Asst. Cashier, in place of W. L. Warnell.
Quanah—Quanah National Bank; L. J. Davis, Cashier.
Rockwall—Farmers' National Bank; J. R. Dumas, Vice-Pres., in place of J. R. Lofland.
Rotan—First National Bank; W. W. Barron, Pres., in place of E. Rotan; H. J. Hadderton and G. L. Robison, Vice-Pres's.
Royse—First National Bank; M. B. Wilson, Vice-Pres.; no Asst. Cashier in place of E. C. Murphy.
Rule—First National Bank; Geo. S. Link, Pres., in place of J. W. Kelley; Geo. W. Manning, Asst. Cashier.
Rusk—First National Bank; J. F. Mallard, Vice-Pres., in place of A. H. McCord.
Saint Jo—First National Bank; H. D. Field, Pres., in place of S. M. King; S. M. King, Vice-Pres.
San Angelo—First National Bank; N. S. Rives, Asst. Cashier.—Western National Bank; R. H. Harris, Vice-Pres.; no Asst. Cashier in place of J. B. Gibbs.
San Antonio—Alamo National Bank; Ernest L. Brown, Asst. Cashier.—City National Bank; Frederick Terrell, Vice-Pres., in place of W. T. Eldridge; H. W. Hart, Asst. Cashier.
San Augustine—First National Bank; Drew S. Davis, Vice-Pres.
Sanger—Sanger National Bank; O. M. Gentle, Vice-Pres., in place of S. A. Crandall.
Savoy—First National Bank; D. Stubbs, Asst. Cashier.
Seguin—First National Bank; Chas. C. Dibrell, Cashier; no Asst. Cashier in place of Chas. C. Dibrell.
Seminole—Seminole National Bank; Robt. Malone, Pres., in place of W. H. Brennand; T. A. Robertson, Vice-Pres., in place of Robt. Malone.
Seymour—Farmers' National Bank; H. H. Fancher, Vice-Pres., in place of S. Edwards; T. S. Whiteside, Asst. Cashier, in place of S. J. Edwards.
Shamrock—First National Bank; N. S. Pendleton, Asst. Cashier, in place of O. T. Nicholson.
Snyder—First National Bank; Jesse Thompson, Asst. Cashier.
Stamford—Citizens' National Bank; J. S. Morrow, Pres., in place of W. H. Eddleman; F. E. Morrow, Cashier, in place of J. S. Morrow.—First National Bank; J. C. Bryant, Vice-Pres., in place of R. L. Penick; Walter L. Orr, Cashier, in place of J. C. Bryant; J. D. Shackelford, Asst. Cashier, in place of Walter L. Orr.
Stephenville—Farmers' National Bank; Jno. H. Doyle, Cashier, in place of J. W. Frey; Carl C. Hardin, Asst. Cashier, in place of J. R. Hyatt.—First National Bank; J. W. Wright, Vice-Pres., in place of R. T. Hurley.
Stratford—First National Bank; Arthur Lile, Vice-Pres.
Taylor—City National Bank; H. T. Kimbro, Vice-Pres.; James Shaw, Cashier, in place of H. T. Kimbro.—First National Bank; F. L. Welch, Pres., in place of J. W. Kelly; Robt. J. Eckhardt, Cashier, in place of F. L. Welch; Thompson Hague, Asst. Cashier, in place of Robt. J. Eckhardt.
Teague—First National Bank; W. R. Watson, Asst. Cashier, in place of S. F. Alford.
Temple—City National Bank; J. L. Carlisle, Asst. Cashier.—First National Bank; Lem Burr, Asst. Cashier.
Tyler—Jester National Bank; H. W. Jester, Asst. Cashier.
Texarkana—Texarkana National Bank; Jno. W. Wheeler, Cashier, in place of A. B. De Loach; no Asst. Cashier in place of Jno. W. Wheeler.
Tyler—Citizens' National Bank; T. B. Ramsey, Gus F. Taylor and R. Bergfeld, Vice-Pres's.; Geo. S. McGhee, Cashier, in place of R. Bergfeld; J. D. Patterson, Asst. Cashier.
Uvalde—Commercial National Bank; W. P. Dermody, Vice-Pres.; J. W. Vanham, Cashier, in place of W. P. Dermody.
Van Alstyne—First National Bank; R. L. Bowen, Pres., in place of S. S. Dumas; J. Umphress, Vice-Pres., in place of R. L. Bowen; J. A. Slaughter, Asst. Cashier, in place of J. Umphress.
Venus—Farmers and Merchants' National Bank; W. M. Shytles, Vice-Pres., in place of C. L. Barker; C. L. Barker, Cashier, in place of D. W. Burleson.
Vernon—Waggoner National Bank; W. O. Anderson, Second Vice-Pres.
Waco—Exchange National Bank; C. B. Cooper, Asst. Cashier.—Provident National Bank; W. T. Clifton, Asst. Cashier.
Walnut Springs—First National Bank; C. E. Durham, Vice-Pres., in place of R. N. Carlton.
Weatherford—First National Bank; George Fant, Asst. Cashier.
Wellington—First National Bank; A. V. Cocke, Asst. Cashier.
Whitewright—First National Bank; C. B. Bryant, Pres., in place of D. M. Ray; no Cashier in place of C. B. Bryant.
Whitney—First National Bank; W. K. Byram, Vice-Pres., in place of P. M. Greenwade.
Wichita Falls—Ed. H. Lysoght, Vice-Pres.
Wills Point—Van Zandt County National Bank; A. W. Meredith, Vice-Pres.; O. C. Bruce, Asst. Cashier, in place of S. Starnes.
Wolf City—Citizens' National Bank; W. P. Maloney, Pres., in place of W. H. Wolfe; M. H. Wolfe, First Vice-Pres., in place of W. P. Maloney.—Wolfe City National Bank; Will Cantrell, Vice-Pres., in place of G. Q. Armstrong; Clyde Moore, Asst. Cashier.
Wylie—First National Bank; H. O. Leeves, Asst. Cashier, in place of J. H. Day.
Yoakum—Yoakum National Bank; Ed. B. Carruth, Vice-Pres.; W. T. Brian, Cashier, in place of Ed. B. Carruth; E. A.

Palmer, Asst. Cashier, in place of W. T. Brian.
Yorktown—First National Bank; A. Burow, Sr., Vice-Pres., in place of H. Borchers.

UTAH.

Logan—First National Bank; Thos. Smart, Pres., in place of W. S. McCornick.
Nephi—First National Bank; W. C. Andrews, Asst. Cashier.
Price—First National Bank; A. W. McKinnon, Asst. Cashier.

VERMONT.

Barre—National Bank; Ben A. Eastman, Vice-Pres., in place of J. H. Jackson, deceased.—People's National Bank; no Asst. Cashier in place of F. A. Hanson.
Bethel—National White River Bank; J. R. Tupper, Vice-Pres., in place of A. A. Brooks.
Brandon—First National Bank; G. H. Young, Vice-Pres., in place of J. S. Stafford; F. W. Briggs, Cashier, in place of G. H. Young.
Bristol—First National Bank; Leroy Neal, Asst. Cashier, in place of E. E. Van Denburg.
Chester—National Bank; Percy E. Heald, Cashier, in place of Sam Adams; no Asst. Cashier in place of Percy E. Heald.
Lyndonville—Lyndonville National Bank; W. I. Powers, Vice-Pres.
Middlebury—National Bank; S. A. Ilsley, Pres., in place of A. A. Fletcher, deceased.
Montpelier—First National Bank; J. L. Kelleher, Asst. Cashier.
Proctorsville—National Black River Bank; Albin S. Burbank, Vice-Pres., in place of G. S. Hill.
Springfield—First National Bank; W. D. Woolson, Vice-Pres., in place of W. H. H. Slack.

VIRGINIA.

Abingdon—People's National Bank; L. N. Lee, Asst. Cashier.
Alexandria—Citizens' National Bank; Carroll Pierce, Vice-Pres.; E. E. Payne, Asst. Cashier.
Bristol—Dominion National Bank; A. P. Moore, Vice-Pres.; H. W. Hobson, Asst. Cashier.
Covington—Citizens' National Bank; A. A. McAllister, Pres.; Geo. L. Miller, Vice-Pres., in place of A. A. McAllister.
Culpeper—Second National Bank; J. J. Roberts, Asst. Cashier.
Esmont—Esmont National Bank; C. R. Dorrier, Vice-Pres.; Mr. Dorrier continues as Cashier.
Gate City—First National Bank; J. M. Johnson, Pres., in place of I. P. Kane; D. C. Sloan, Vice-Pres.
Graham—First National Bank; W. B. Morton, Pres., in place of John Walters; Joseph Keys, Vice-Pres., in place of J. H. Sluss.
Hallwood—Hallwood National Bank; Walter P. Nock, Asst. Cashier.
Hot Springs—Bath County National Bank; C. Y. Kent, Asst. Cashier.
Lebanon—First National Bank; E. S. Finney, Vice-Pres., in place of S. H. Fletcher; Mr. Fletcher continues of Cashier.
Leesburg—People's National Bank; Robt. R. Walker, Vice-Pres.
Lexington—First National Bank; B. E. Vaughan, Pres., in place of J. T. Dunlap; H. C. Wise, Cashier, in place of B. E. Vaughan; W. C. Firebaugh, Asst. Cashier, in place of H. C. Wise.—People's National Bank; R. C. Walker, Asst. Cashier, in place of J. W. McClung.
Luray—First National Bank; Lawrence T. Berry, Asst. Cashier.
Lynchburg—American National Bank; R. D. Apperson, Vice-Pres., in place of P. A. Krise; no Cashier in place of S. H. Taylor; J. L. Nicholas, Asst. Cashier.
Norfolk—Norfolk National Bank; E. T. Lamb, Vice-Pres., in place of C. W. Grandy.
Norton—First National Bank; J. B. Fleming, Asst. Cashier, in place of H. G. Gilmer.
Onancock—First National Bank; George H. Powell, Asst. Cashier.
Purcellville—Purcellville National Bank; Eugene Monroe, Asst. Cashier.
Richmond—First National Bank; W. P. Shelton and Alex F. Ryland, Asst. Cashiers.—Planters' National Bank; Latimer Gordon and Conway H. Gordon, Asst. Cashiers.
Roanoke—First National Bank; J. Tyler Meadows, Vice-Pres.; Mr. Meadows continues as Cashier.
Rosslyn—Arlington National Bank; W. C. Wibirt, Vice-Pres. and Cashier, in place of J. B. Henderson, Jr., and J. S. Buckner.
Salem—Farmers' National Bank; C. W. Beerbower, Asst. Cashier.
Strasburg—People's National Bank; C. W. Bushong, Asst. Cashier.

WASHINGTON.

Bellingham—Bellingham National Bank; William McCush, Vice-Pres., in place of W. G. Brown; H. P. Jukes, Asst. Cashier, in place of H. Wirth.—First National Bank; John Kallsen, Cashier.
Chewelah—First National Bank; T. A. Winter, Vice-Pres.
Medical Lake—First National Bank; O. H. Greene, Vice-Pres.; R. I. Dair, Asst. Cashier.
Newport—First National Bank; no Asst. Cashier in place of E. L. Craig.
North Yakima—First National Bank; W. L. Steinweg, Pres., in place of W. M. Ladd; A. B. Cline, Cashier, in place of W. L. Steinweg.—Yakima National Bank; F. Bartholet, Cashier, in place of J. D. Cornett.
Oroville—First National Bank; E. F. Magee, Cashier, in place of A. B. Jacoby; A. P. Murray, Asst. Cashier.
Seattle—First National Bank; C. A. Philbrick, Asst. Cashier.—National Bank; Emery Olmstead, Asst. Cashier.—Puget Sound National Bank; C. L. La Grave, Asst. Cashier, in place of I. Kohn.
Sedro-Woolley—First National Bank; C. C. Harbaugh, Vice-Pres., in place of F. A. Hegg; F. C. Fellows, Asst. Cashier.
Spokane—Fidelity National Bank; E. R. Anderson, Asst. Cashier.—Old National Bank; T. J. Humbird, Vice-Pres., in place of Peter Larson, deceased.—Traders' National Bank; D. M. Drumheller, Vice-Pres., in place of A. F. McClaine; Chas. S. Eltinge, Vice-Pres.; Chas. A. McLean, Cashier, in place of Chas. S. Eltinge; E. V. Klein and W. T. Triplett, Asst. Cashiers, in place of Chas. A. McLean and J. E. West.
Sunnyside—First National Bank; R. C. McCredie, Asst. Cashier.
Tacoma—National Bank of Commerce; F. A. Rice, Cashier, in place of A. F. Albertson; Mr. Albertson continues as Vice-Pres.
Vancouver — Vancouver National Bank; Ralph Y. Percival, Asst. Cashier, in place of H. B. Steel.
Wenatchee—First National Bank; D. A. Beal, Vice-Pres., in place of Conrad Rose.

WEST VIRGINIA.

Bluefield—American National Bank; S. M. Smith, Vice-Pres. — Flat Top National Bank; W. B. Hicks, Asst. Cashier.
Cameron—First National Bank; Lloyd Strope, Vice-Pres., in place of Clell Nichols.
Clendenin—First National Bank; C. F. Osborne, Asst. Cashier.
Elkins—People's National Bank; R. Chaffey, Pres., in place of T. J. Arnold; Jno. F.

Nydegger, First Vice-Pres., in place of R. Chaffey; D. V. Moyle, Asst. Cashier.
Fayetteville—Fayette County National Bank; A. W. Hamilton, Pres., in place of M. Harvey; C. W. Dillon, Vice-Pres., in place of A. W. Hamilton.
Friendly—First National Bank; A. C. Martin, Pres., in place of Hugh Thorn; J. C. Thorn, Vice-Pres., in place of J. D. Livingston; R. D. Morgan, Asst. Cashier, in place of J. C. Thorn.
Gary—Gary National Bank; J. H. Barker, Cashier, in place of M. M. Lockwood.
Gormania—First National Bank; A. F. Schwartz, Second Vice-Pres.
Grafton—First National Bank; Geo. W. Reynolds and John W. Hamilton, Vice-Pres's.
Harrisville—First National Bank; H. E. Hoover, Asst. Cashier, in place of E. H. Brake.
Madison—Madison National Bank; C. A. Croft, Asst. Cashier, in place of S. E. Bradley.
Parkersburg—First National Bank; C. C. Martin, Second Vice-Pres.
Pennsboro—First National Bank; M. M. Lambert, Vice-Pres., in place of J. B. Wilson.
Philippi—First National Bank; E. H. Crim, Pres., in place of W. T. Ice, deceased.
Princeton—First National Bank; H. M. Shumate, Vice-Pres., in place of W. E. Fowler.
Ronceverte—Ronceverte National Bank; Geo. N. Davis, Vice-Pres., in place of W. W. Hume.
Salem—First National Bank; Oscar C. Wilt, Vice-Pres.; Mr. Wilt continues as Cashier.
Webster Springs—First National Bank; J. B. Skidmore, Asst. Cashier.
Wheeling—National Bank of West Virginia; J. F. Paull, Vice-Pres.; Baird Mitchell, Cashier, in place of W. B. Irvine; Mr. Irvine continues as Cashier.

WISCONSIN.

Antigo—Langlade National Bank; I. D. Steffen, Vice-Pres., in place of H. C. Humphrey.
Beaver Dam—Old National Bank; T. L. Newton, Vice-Pres.
Campbellsport—First National Bank; B. H. Glass, Asst. Cashier.
Eau Claire—Union National Bank; Marshall Cousins, Cashier; M. E. Baumberger, Asst. Cashier, in place of Marshall Cousins; M. B. Syverson, Asst. Cashier.
Fond due Lac—First National Bank; E. R. Herren, Vice-Pres., in place of H. D. Hitt.
Frederic—First National Bank; William J. Starr, Pres., in place of C. Lewis; C. A. Carlson, Vice-Pres.
Janesville—First National Bank; H. S. Haggart, Asst. Cashier.
Kaukauna—First National Bank; Julius J. Martens, Vice-Pres.
Lake Geneva—First National Bank; L. A. Nichols, Pres., in place of A. E. Tyler.
Manawa—First National Bank; Levi C. Larson, Asst. Cashier.
Marinette—First National Bank; J. F. Wittig, Cashier, in place of W. J. Davis.—Stephenson National Bank; Robt. F. Goodman, Vice-Pres., in place of W. A. Brown; O. P. Osthelder, Asst. Cashier.
Milwaukee—Milwaukee National Bank of Wisconsin; J. F. Strohmeyer, Asst. Cashier.
Mondovi—First National Bank; B. S. Lockwood, Vice-Pres., in place of D. A. Whelan; Geo. Esbensen, Asst. Cashier.
New London—First National Bank; H. S. Ritchie, Asst. Cashier.
Oshkosh—National Union Bank; E. A. Severson, Asst. Cashier.—Old National Bank; J. P. Fitch, Asst. Cashier, in place of R. P. Finney.
Phillips—First National Bank; G. B. Reedal, Pres., in place of P. E. Reedal; John A. Raup, Cashier, in place of G. B. Reedal.
Platteville—First National Bank; Clinton De Witt, Cashier, in place of W. M. Hetherington; W. J. Riechers, Asst. Cashier, in place of Clinton De Witt.
Portage—First National Bank; no Cashier in place of J. W. Hansen.
Racine—First National Bank; F. L. Mitchell, Vice-Pres., in place of E. O. Hand.—Manufacturers' National Bank; R. H. McElwee and B. B. Northrop, Vice-Pres's.; Warren J. Davis, Cashier, in place of B. B. Northrop.
Rice Lake—First National Bank; W. A. Demers, Asst. Cashier, in place of L. S. Everts; C. E. Overby, Asst. Cashier.
Rio—First National Bank; B. P. Bergum, Asst. Cashier.
Ripon—German National Bank; A. B. Carter, Asst. Cashier.
Tigerton — First National Bank; H. R. Swanke, Pres., in place of W. K. Rideout.
Waupaca—Old National Bank; Matt Ovrom, Asst. Cashier, in place of R. C. Miller.
Waupun—National Bank; C. A. Shaler, Pres., in place of L. D. Hinkley.
Wausau—First National Bank; C. S. Curtis, Vice-Pres., in place of R. E. Parcher, deceased.
Wautoma—First National Bank; W. A. Bugh, Vice-Pres., in place of W. S. Tyler.

WYOMING.

Cheyenne—First National Bank; G. E. Abbott, Vice-Pres.; A. D. Johnston, Cashier, in place of G. E. Abbott.—Stock Growers' National Bank; Curtis Templin, Asst. Cashier, in place of W. H. Barber.
Evanston—Evanston National Bank; James Brown, Asst. Cashier.
Rawlins—Rawlins National Bank; E. A. Durant, Asst. Cashier.
Saratoga—First National Bank; Gustave Jensen, Vice-Pres.; W. H. Wickham, Cashier, in place of Gustave Jensen.
Shoshoni—First National Bank; Theo. Becker, Cashier, in place of F. A. Harmon; Z. R. Moses, Asst. Cashier, in place of M. R. McFarland.
Thermopolis—First National Bank; W. T. Bivin, Asst. Cashier.
Wheatland—First National Bank; no Asst. Cashier in place of Reed Elwood.

PORTO RICO.

San Juan—First National Bank; E. L. Arnold, Pres., in place of S. O'Donnell; Andres Crosas, Vice-Pres., in place of E. L. Arnold.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

CALIFORNIA.

San Francisco—Market Street Bank; reported closed.

COLORADO.

Aspen—People's National Bank; in hands of receiver, March 16.

INDIANA.

Muncie—People's National Bank; placed in voluntary liquidation, March 14.

MISSISSIPPI.

Meriden—Southern Bank; suspended business.

NEBRASKA.

Humboldt—First National Bank; placed in voluntary liquidation, February 28.

OKLAHOMA.

Ingersoll—Farmers' State Bank; liquidated.
Porter—Porter National Bank; placed in voluntary liquidation, January 25.
Tulsa—Standard Banking & Trust Co.; liquidated.

HON. LAWRENCE O. MURRAY

The New Comptroller of the Currency

See sketch on page 730

HON. LAWRENCE O. MURRAY
Comptroller of the Currency.

THE

BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

SIXTY-SECOND YEAR | MAY, 1908 | VOLUME LXXVI, NO. 5

EMERGENCY currency represents the extreme of paternalism. Under such a system, Uncle Sam, the doting parent, would say to his children, "Go ahead, my sons, and sow your wild oats. I have on hand an unlimited supply of 'money' with which to get you out of the scrapes incident to harvesting the crop." That the crop would be big enough to keep the old man busy may be safely assumed.

Preparation for meeting emergencies, however, is usually a wise precaution. No one can criticise a municipality for providing the necessary equipment for fighting fire. Nor can it be held that such a course necessarily renders people more careless, for fire is so universally dreaded that only the foolhardy and the criminal will do anything likely to invite its disasters.

It might be held that, by the law of analogy, there could be no objections to an emergency currency. But this law does not apply to things essentially different. Some years ago an enterprising genius, observing the great profits made by the life insurance companies, conceived the idea of applying the insurance principle to marriage. Any person taking out a policy in his company would, on getting married, receive a stipulated sum. The idea proved immensely popular, and companies were rapidly organized for carrying out the scheme. They failed, of course, because the underlying principle was wrong. Life insurance succeeds, because death is an event that men ordinarily postpone as long as possible. Marriage, on the other hand, is eagerly welcomed by the average individual.

A fire is dreaded, because it brings ruin and disaster, and all the precautions which a town or city may take against its ravages do not relax our vigilance in preventing it. The species of intoxication, misnamed "prosperity," is, on the other hand, universally desired. For it men sacrifice everything else. They need no incentive, other than enjoyment of the game, and its hoped-for rewards to spur them on in their pursuit of "prosperity."

An emergency currency, that could always be relied on to relieve the business community of the penalty of its excesses would do harm rather than good. No such currency exists outside the heads of a few enthusiasts who have been misled by an imperfect understanding of the German bank-note issues.

In his statement before the Banking and Currency Committee of the House, Mr. JAMES B. FORGAN, president of the First National Bank of Chicago, denounced emergency currency as "infernal." The term was strong, but entirely just. With a sensible system, operative at all times, no such currency famine as that witnessed last fall ought to occur. It may be said with reasonable certainty that if the issue of a practically unlimited supply of so-called "emergency" currency were provided for by law, and if that fact were generally known, it would tend very strongly, of itself, to create the emergency.

THE outflow of gold that began toward the end of last month was naturally to be expected, the only reason for surprise being that it was so long delayed. With the artificial inflation of the bank-note currency that took place last fall, and the further increase of the currency stock by the importation of gold, no one expected that we should not lose gold. In view of the business depression the outward movement of the metal may be quite large.

SOMEWHAT of a novelty in dealing with an insolvent bank is indicated in the following dispatch, dated at Shanghai:

"A committee representing about seventeen thousand depositors of the Chiyoda Bank of Japan, after fruitless efforts to obtain payment, sent a written request to Viscount Hori, president of the institution, asking him to commit hari-kari as an act of expiation.

"His reply has not yet been received."

If the custom should be extended to the United States, it might afford a happy solution of the deposit-insurance problem. If a committee representing the depositors of an insolvent bank should call upon the managing officer and request him to commit hari-kari, and please to be quick about it, it might tend to discourage bank failures.

THAT gallant naval hero and osculator, Captain RICHMOND PEARSON HOBSON, lives in constant terror of a war between the United States and Japan. According to the Captain, "the war clouds are gathering." They appear already to have darkened his mental horizon. He sees daily whole phantom fleets of men-of-war advancing from the Orient. Japanese spies lurk everywhere. At night he dreams that he is surrounded by a host of little brown men, with flaming swords, horse-pistols, and daggers held between their teeth.

To combat these imaginary foes, the Captain urges that we build battleships. He fills the pages of the "Congressional Record" with his oratory. He lectures. He announces his intention to run for President, doubtless on a warlike platform—all to prevent the United States from being swallowed up by the "yellow peril."

Captain HOBSON is amusing, and even the Japanese, who do not seem to be blessed with an abundant sense of humor, can hardly take him seriously.

AS the time approaches for holding the political conventions interest in the prospective candidates increases.

That Mr. BRYAN will again lead his party seems to be a foregone conclusion. He has dropped the advocacy of free silver and the proposal that the Government shall own the railroads, and is now devoting himself to less specific propositions. As a man he is stronger to-day than in 1896 or in 1900. His view of many questions has broadened, and his reserve force increased. Whether he would prove a better vote-getter now than in his former campaigns may be doubted. Possibly, he has talked too much. There are few men whose popularity will not be buried beneath such a stream of words as he has poured forth since the famous "cross-of-gold" speech.

On the Republican side, the chances of Secretary TAFT seem to be improving. Mr. TAFT has the advantage of practical achievement to his credit. He has been placed in positions requiring great judgment and tact, and in the popular phrase of the day, he has always "made good." He possesses, too,

personal traits that have greatly enhanced his popularity.

Governor HUGHES of New York, though possessing undoubted elements of strength, does not seem to be making much headway in gaining delegates.

Of course, all speculation as to whom the Republicans will nominate may be brought to nought by some unexpected turn when the delegates get together at Chicago next month.

At this time, it would be hard to tell what the two parties are going to find to fight about. Both want the offices, but there seems to be no real dividing line so far as policies are concerned. The leaders are in the position of Mr. WILKINS MICAWBER—waiting for something to turn up.

PRESIDENT ROOSEVELT has been criticised for not having given more attention to the study of financial questions. His recommendations in the annual messages transmitted to the Congress have dealt with these subjects somewhat perfunctorily. It is, of course, not the duty or prerogative of the President to legislate for the country, though he may, and often does, exercise a powerful influence in shaping legislation.

Persistent rumors have been afloat for some time that the President favored the passage of a certain financial measure, though these rumors do not appear to have been based on any of the President's public utterances.

But while the President thus far may have failed conspicuously to identify himself with any movement looking to the improvement of our banking and currency systems, he is nevertheless in a position to render an important service to the cause of sound money. By the exercise of the veto power he can prevent any inflation measure from becoming a law. Should any bill be passed permitting the issue of bank notes practically without limit, it would seem to be the plain duty of the President to exercise his constitutional prerogative and veto it. By so doing he would render his country as great a service as President GRANT did in vetoing the greenback inflation bill.

After all the experience this country has had with Continental currency, "wildcat" bank notes, greenbacks, and cheap silver, it seems amazing that anybody should seriously propose to flood the country with bank notes.

IT is doubtful if any measure brought before Congress ever received such a merciless drubbing as was given the Aldrich Bill in the hearings conducted by the Banking and Currency Committee of the House. Several of those who appeared in opposition to the bill were bankers of the widest experience, and their statements ought to be extensively circulated. Mr. ALEXANDER GILBERT of New York and Mr. JAMES B. FORGAN of Chicago presented facts and arguments which were especially instructive.

One fact was made plain at these hearings—that if ever the people take up the study of this bank-note question it will be the end of measures like the Aldrich Bill. One of the best things that could be done by the bankers' associations of the United States would be to discuss this issue in a non-technical manner, and to circulate literature among the voters.

By some it is regarded as unfortunate that there must be an agitation of the currency question this fall; but agitation is less to be deplored than the enactment of bad laws, and in a democracy there is no way of settling these issues except by referring them to the people—the source of all political power.

When Wm. J. Bryan read of the passage by the Senate of a bill providing for the creation of $500,000,000 of paper money at a single stroke, he must have been humiliated at his modesty in proposing the free and unlimited coinage of silver. It would have probably taken many years for his scheme to have increased the money supply of the country to that extent.

Truly, Mr. Bryan's political assets are being appropriated and "improved on" by his rivals.

The late Petroleum V. Nasby once turned his attention from endeavoring to secure a postoffice and became a "finanseer." He succeeded in having an "onlimited" supply of greenbacks issued, but to his discomfiture he found that "Bascom" shortened the amount of "licker" that could be had for a dime, so the increased supply of "money" did not help the "finanseer" any.

The United States Senate, when it passed the Aldrich Bill, ought to have added this amendment: "Provided, that nothing in this bill shall reduce the amount of any commodity that shall be sold for a dollar."

One great obstacle to the carrying out of the inflationist programme has consisted in the difficulty of making the plates for the new issues and printing the notes in anything like a reasonable time. There are nearly 7,000 banks, and we believe the notes of the different banks could not all be printed from a single plate, since the banks would require more than one denomination. So the 7,000 plates will have to be multiplied several times. Estimates at Washington differ as to the time required to set the inflation mill fairly going. Some think it would take two years, others that it could be done in six months. Whichever of these estimates may be accepted as the correct one, it will be seen that our "money" supply is hampered by the inadequate facilities of the Bureau of Engraving and Printing.

The art of printing has been highly developed in the United States. Newspapers and magazines have multiplied to an extent unknown in any other country in the world. But with all our progress in this direction, our facilities for the printing of money seem to have been neglected. The halcyon days when any bank could order a supply of its notes from the local printer have gone along with the stage-coach, the ox-cart and other things belonging to the good old times. Now, the Government has monopolized the printing of "money," and does the work very well, too. But it is altogether too slow about it. Most of us are kept waiting for our supply entirely too long, and there is a growing impatience with this needless delay. Let Uncle Sam hire more engravers, buy additional presses, and work nights if necessary. If there is now any lack of money to meet this extra expense, that difficulty will be removed when the new flood of "money" begins to pour forth from the printing-presses.

Concern has arisen lately in the Treasury Department regarding the accumulation of national bank notes in the general funds of the Treasury. This increase of bank notes has been coincident with a decline of gold in the general funds. Of course, so long as there is a large surplus of receipts over expenditures this condition has little practical significance. But the revenues of late have shown a deficit, and should this tendency continue for a considerable period, it might have a serious effect.

At present the national bank notes have accumulated in the Treasury to such an extent that the force of clerks is not large enough to sort out the notes for redemption in lawful money.

When the $150,000,000 gold fund in the Division of Redemption is reduced below the figure named, by the redemption of United States notes, it must be restored, and one way to do this is by exchanging the notes so redeemed for any gold coin in the general fund of the Treasury. The ability of the Division of Redemption to recoup its gold out of the general fund will be lessened as the gold in the latter diminishes, and may disappear altogether. Then should the other expedients in the Act of March 14, 1900, for replenishing the gold reserve prove ineffectual, recourse will have to be had to the issue of bonds.

The dilemma which confronts the Treasury is only what might have been expected from the policy of the Secretary in artificially inflating the bank-note circulation without at the same time increasing his means of redemption. Yet a bill has passed the United States Senate providing for the issue of $500,000,000 of bank notes without adding a single dollar to the coin reserves of the banks!

AMONG the banking laws passed by the New York Legislature this spring is one providing that the liquidation of the affairs of insolvent banks shall be conducted through the office of the Superintendent of the State Banking Department. Heretofore bank receivers have been appointed at the instance of the Attorney-General. This division of authority in the control of the banking institutions has resulted in some unpleasant clashes between the Attorney-General and the Banking Department, to the benefit of nobody in particular.

The new law gives the Superintendent of the State Banking Department approximately the same power as is conferred on the Comptroller of the Currency by the National Banking Act in winding up insolvent national banks.

By reason of his official relation to the banks of the state, the Superintendent of Banking has a far better knowledge of the condition of the banks than any other officer possibly can have. To divide the responsibility of administering the affairs of the banks is merely to introduce an element of discord.

It is to be hoped that the compensation paid to receivers of insolvent banks will no longer be open to the grave criticisms heretofore made. A dead bank is not a subject upon which vultures are to be fattened, but its affairs should be efficiently and economically managed in the interests of depositors and stockholders.

RESERVES of state banks and trust companies are governed by the laws of the various states, and but little thought seems to have been given to the character of the money constituting these reserves. Even in the State of New York, a reserve law recently enacted provides for the employment of national bank notes for this purpose.

So long as trust companies confined their business to purely fiduciary transactions, it was immaterial in what form their "reserves" (or, rather, their till-money) was kept. But when they began to do a commercial banking business, and became manufacturers of deposit credits, the situation was changed. So long as the extension of bank credits rests upon the quantity of gold, or of lawful money, which a bank holds, there is a limit to the amount of such credits; but when bank notes, and even bonds, are made a part of the legal reserves, this limit disappears, and in-

flation of banking credit invariably results. That such inflation has actually taken place within recent years is all too plainly witnessed by the statistics showing the enormous expansion of "deposits" in the trust companies, state banks, and in the national banks also. Even the latter, despite legal prohibitions, have "kenned a wy" to use bank notes for reserve purposes.

It would be wide of the mark to claim that the expansion of bank deposits has been due, in any great degree, to the use of bank notes as reserves. Bank deposits have grown because the wealth and business of the country have grown. But the increase in the production of gold alone afforded the basis for a greatly enlarged volume of bank credits, and when this was supplemented by the use of bank notes as a foundation for building up bank credits, the expansion went on more rapidly, and proceeded farther, than was consistent with safety.

It is hardly probable that the state legislatures can be relied on to pass laws requiring that bank reserves shall be kept in gold, and of course Congress has no power in the premises. The only hope of reformation of the evil mentioned lies in the adoption of a national banking law so attractive that every commercial bank will find it advantageous to reorganize under its provisions.

JAPAN seems to be experiencing a period of depression, similar to that through which the United States is passing. The depreciation of silver has unfavorably affected the trade with China, and the panic here has also had a depressing effect. The foreign trade for the past year shows a considerable balance of imports over exports.

According to the annual address of Governor MATSUO of the Bank of Japan, however, "in spite of the depression prevailing in the central money market, good crops of rice and silk and correspondingly prosperous results were witnessed in the provinces, and the financial resources of the agricultural classes are increasing."

RAILROADS are beginning to be attracted by the large supply of funds in the money market, and several new loans have been announced recently. Although the railroads will doubtless need to borrow quite heavily to meet requirements of the not distant future, and while there is an abundant supply of funds that might be employed in supplying these demands, some doubts exist as to the success of the attempt to float large railway loans at this time. The difficulties in the way, and a proposed remedy, were thus stated in a communication from Mr. N. JOHANNSEN in a recent issue of the New York "Journal of Commerce and Commercial Bulletin":

"We find a strange paradox in the money market—on the one hand a superfluity of cash funds looking for employment; on the other a number of railroads looking for cash funds which they cannot get. Why can't they? What stands in the way against bond issues at a reasonable rate of interest, say four or four and one-half per cent.?

"I attribute the cause to three distinct reasons: First, distrust, arising partly from foolish state legislation, attempting to harass the railroads, partly from sharp practices on the part of railway magnates, such as led to the wrecking of the bonds of Rock Island and of Metropolitan Street Railway; second, the low market prices (which seem to justify that distrust) of the bonds and stocks already extant; why should investors subscribe to new bond

issues at par if they can buy similar bonds below par in the open market? third, investors have the idea that after the return of prosperity, when the interest rate will rule higher, they can invest their funds to better advantage than now.

"As to this last point, people are mistaken, so far as concerns the purchase of bonds and securities. Let us take an example, say, Union Pacific four per cent. bonds; at the boom time they were selling around 106, now at 100—so the investor can buy them to better advantage now than before. By rights those bonds, of almost absolute security as they are, ought to sell higher than at the time of the boom, now that the rate of interest rules low. Their reduced price is really paradoxical. It is due to the general feeling of uncertainty, which cannot last much longer, and as soon as it disappears, the security prices, as everybody knows, will go up.

"As to point two, this embodies another paradox, namely, that most investors will buy securities when they are high rather than when they are low. At present they are altogether too low to look inviting to the average investor. It may seem a bold assertion that if our big financiers would simply mark up the prices of securities; not only mark them up, but keep them up (which is not a difficult matter for them to do), the securities would be bought much more eagerly than now; and not only securities already extant, but new issues as well. This assertion is amply corroborated by past experience.

"As to point one, we have to admit that the general distrust and the feeling of uncertainty have much to do with the present unfortunate situation. Owing to this feeling the railroads cannot borrow and the fact that they cannot borrow confirms that maleficent sentiment. Here it may be advisable to resort to manipulation in order to overcome that sentiment, at least so far as railroads are concerned. I suggest that a syndicate of prominent bankers be formed, guaranteeing the interest on new bond issues of railroads of good standing; the syndicate to have full power to guard the interests of the bondholders, say, by vetoing any measures of the managers which may endanger the safety of the bonds and eventually by foreclosure.

"The syndicate may charge the railroads a fee of five per cent. of the amount of interest covered by the guarantee. This fee would constitute no burden for the railroads—just the reverse. Let us take an example. Last year the Union Pacific Railroad issued four per cent. convertible bonds at 90. Under the syndicate's guarantee these new bonds would be fully as safe and valuable as the railroad's first mortgage bonds, which at that time stood at 105. With the help of the syndicate's guarantee, therefore, the new bonds could have been issued at par and the railroad would have saved much more than the five per cent. fee.

"The risk on the part of the syndicate would be only nominal, and the fee almost clear income. Such a syndicate arrangement would prove profitable all around—to its members, to the railroads, and (a hundred times more important than either) to the public in restoring confidence.

"The syndicate may go even further in helping the railroads—by first getting their numerous 'short term' notes out of the market. So long as these five and six per cent. notes can be bought below par, investors may not feel like buying new issues of four per cent long term bonds at par. The syndicate may buy them up and procure the necessary funds in the same manner as the stock brokers do who hold securities for their customers on margin, borrowing

the funds from the banks 'on call' at less than two per cent. and charging their customers four per cent. For every million dollars of notes so bought, the syndicate would put a million dollars of idle cash funds into the hands of the sellers. The latter naturally will look for some other kind of investment for their funds, and may buy the long term bonds offered by the syndicate."

The revival of railway enterprise would do much to bring about a return of prosperity, but at present the railways are undoubtedly hampered by the conditions above described. Apparently the remedy proposed involves a considerable risk on the part of the banking syndicate and but slight profit. Actually, however, it would probably be found that the risk would be largely nominal, and the indirect profits, owing to the general appreciation of securities, very great.

AN argument in favor of the use of national bank notes as reserves appears in a paper by HENRY W. YATES on "Panic Preventions and Their Cures," published in "The Annals of the American Academy of Political and Social Science." Mr. YATES is president of the Nebraska National Bank of Omaha, and is one of the oldest and best-known bankers of the Middle West.

Mr. YATES, very justly, as we believe, contends that our financial disturbances are due to an overabundant supply of currency rather than to a lack of it. Although for a time last fall there was a great scarcity of currency, we have not thought that the true remedy for a situation of this kind was to be found in the printing of more paper "money."

But Mr. YATES' proposal for counting national bank notes as part of the legal reserves of national banks does not seem to us to be based upon solid ground. He says:

"It is not necessary that the bank notes should be made a legal tender, but in view of the fact that fixed reserves are intended mainly for the protection of depositors, will any one maintain that this protection is weakened if national bank notes are so counted?"

If it were true "that fixed reserves are intended mainly for the protection of depositors," no one could contend, with any show of reason, that this protection would be weakened if national bank notes were allowed to count as reserves. Possibly, from a strictly legal standpoint, the banks are under obligation to pay their depositors in legal-tender money, seeing that the relation of a bank to its depositor is that of debtor and creditor. But as a matter of custom, and perhaps of contract in most cases, the obligation of the bank is merely to pay "in current funds." This being true, for the purpose of paying its deposits, a bank need only have on hand currency of some kind—silver certificates, gold certificates, or national bank notes. To meet the demands of depositors, the kinds of money enumerated are quite as satisfactory as legal-tender notes or gold or silver coin.

But are fixed reserves held mainly for the protection of depositors? Do they not serve another purpose quite as important? They not only provide a fund for the payment of depositors, but they constitute the basis upon which rests the entire credit structure of the country. And to use bank notes as reserves would be piling one credit upon another—a process which might go on indefinitely, ultimately endangering our fabric of credit. If bank reserves were required to be kept in gold, exclusively, this would prevent that easy manufacture of deposit credits by the banks which, in the past few years, has brought about over-expansion. Prob-

ably the use of bank notes as reserves by state banks and trust companies—and by national banks also to a considerable extent—has been an important factor in producing that inflation of credit which constituted a striking feature of the conditions preceding the October collapse.

The present national bank notes are so well secured by Government bonds and otherwise that it is quite natural for them to be regarded as good enough for bank reserves. Nevertheless, to so employ them would result in building up one form of credit on another, for the bank notes themselves are based primarily on debt. The evils that would arise from the use of bank notes as reserves would become plainly evident should anything happen to cause a great enlargement of the bonded debt of the United States, and a corresponding addition to the volume of bank notes—providing the notes were made available as reserves.

There is one absolutely safe basis for the extension of bank credits—gold coin in the actual possession of a bank.

THERE seems to be a division of opinion regarding the protection afforded to depositors by the National Banking Law. Many bankers, and some members of Congress, hold that the fault lies with inadequate enforcement of the law by the Comptroller's Bureau. On the other hand, it is contended that the law itself is defective. This latter view was thus expressed by Deputy Comptroller KANE in a recent interview in the "Washington Post." Mr. KANE said:

"While numerous have been the recommendations of the eleven Comptrollers who have presided over the affairs of the Currency Bureau since its establishment, which, in the judgment of each, would have increased the security of the depositors and creditors of the banks, practically none has been enacted into law or has received the serious consideration of the legislative branch of the Government. No one has had better opportunities to observe from an impartial and disinterested standpoint the practical operation of the banking laws and to note their weak features in regard to the security of creditors than the respective Comptrollers of the Currency. Notwithstanding this indisputable fact and the many recommendations made by the several Comptrollers, there has been practically no amendment of the law since the passage of the original bank act of February 25, 1863, which can be said to have had for its object the particular welfare of the depositor.

Of the fifty-four acts amendatory of the original enactment which have been adopted since that date, practically all have been in the interest of greater latitude or privileges to the banks.

The remedies suggested for the many unsatisfactory conditions for which the national banking laws are primarily responsible may be found in the recommendations made from time to time by the Comptroller of the Currency in the forty-five annual reports submitted to Congress since the establishment of the Currency Bureau, and until supplied by legislative enactment the responsibility should rest where it properly belongs—upon the law and the lawmakers, and not upon administrative officials."

This criticism no doubt refers chiefly to the methods of appointing and compensating examiners. If the examiners were selected, by competitive examination, from among practical bank accountants, and if the examiners were paid a salary, so that they might have adequate time to perform their work, the inspection furnished by the Government would be greatly improved. So long as Congress ignores the recom-

mendations of the Comptroller, this official will have a very justifiable excuse for not making the supervision of the Bureau really efficient. Congress should, without further delay, adopt the suggestions so often made by the Comptroller, which are obviously such as would tend to improve the methods of examining the national banks.

But some of the defects in Governmental control have been due to leniency shown by the Comptroller toward those who do not comply with the law, or who fail to correct faults in management discovered by the official examiners. When the latter find excess loans or other conditions inimical to the safety of the bank, the Comptroller issues his warnings, which are usually met with promises of reformation. Very often there is an end of the matter; and until the next examination is made, the Comptroller has no adequate means of finding out whether his orders have been complied with or not. In the meantime the unsatisfactory conditions may grow worse, and in consequence the bank may fail.

Successive Comptrollers have hesitated to apply the extreme penalty to banks that have offended in the manner indicated. But a few examples of a rigid application of the law would probably do more to ensure compliance with the provisions now so commonly violated than whole reams of warning letters from the Comptroller of the Currency. A bank that will not obey the law ought to quit business. If it shall be found that the law is unnecessarily harsh, the best way to secure its modification is by a strict enforcement.

SOME timorous mortals have expressed the fear that the cause of currency reform will be hindered rather than helped by the support of bankers who have, through long study and experience, earned the right to be considered to have expert knowledge of banking and currency questions.

The corollary of this is, of course, that we should be guided in legislating upon the currency by those who know least about the subject. If one may judge by the results, that appears to have been the policy by which legislation has been shaped for a generation.

We do not follow the same course, fortunately, in our personal affairs. When any one gets sick, we do not kill a chicken, cut it open and search its inward parts for the cause of the disease, though that practice is said to have ancient authority to sustain it. Most of us, having electrical work to be done involving large expenditures, would be glad to have Mr. EDISON'S advice. In surgery—in all the broad field of science—the specialist is regarded with the greatest favor.

Can it really be different with money and banking? Are we to follow BAILEY, ALDRICH, TILLMAN and LODGE and reject the counsels of GAGE, CONANT, WHITE and FORGAN?

To ask that question seems almost like an insult to American intelligence. Yet it is the politician's view that the people do not want wise and well-considered banking and currency legislation. That view is false. It represents the cowardice of the average politician, who has no convictions of his own, and who never dares to instruct and to shape public opinion. But the people are quick to detect this time-serving attitude on the part of their representatives, and they soon become disgusted with it. Already among the great business organizations may be discerned a movement in favor of a thoroughly sound and scientific revision of our banking and currency system, and this movement will spread among the people at large, and will grow until even the deaf ears of the politicians at Washington will be made to hear.

THE CRISIS OF 1907.

By Charles A. Conant.

RECOVERY from the crisis of 1893 was delayed in the United States by the uncertainty attending the Presidential election of 1896. The declaration of the regular Democratic convention in favor of the free coinage of silver caused so much anxiety among business men, who desired to adhere to the gold standard, that practically no new enterprises were undertaken or projected until, a few weeks before the election, it became certain that the Republican candidates, who stood upon a platform in favor of the existing gold standard, would be elected.

An Outburst of Business Activity.

After the inauguration of President McKinley on March 4, 1897, confidence gradually returned and presently began a great outburst of business activity. Exports of merchandise, which amounted in the fiscal year 1896 to $882,606,938, rose in 1898 to $1,231,482,330; in 1900 to $1,394,483,082; and finally, in 1906, after only moderate changes in intervening years, to $1,743,864,500, and in 1907 to $1,880,851,078. Imports of merchandise, which in 1896 were only $779,724,674, did not feel the impulse of reviving prosperity until the movement of expansion was well advanced, but in 1900 the amount was $849,941,184; in 1902, $903,320,948; in 1903, $1,025,719,237; and finally, in 1906, $1,226,562,446; and in 1907, $1,434,421,425. The ratio of imports per capita, which in 1898 had been as low as $8.05, rose for 1907 to more than double this ratio, or $16.54. Internal trade also increased in great proportions and banking operation expanded in harmony with the expansion of business. Clearings at New York, which were $29,350,894,000 in 1896, and $51,964,588,000 in 1900, increased in 1907 to $95,315,421,238, while for the country at large they increased from $51,935,651,000 in 1896 and $81,582,450,000 in 1900, to $154,662,515,000 in 1907. The volume of money in circulation rose from $1,506,434,966 in 1896 to $2,055,150,998 in 1900 and $2,772,956,455 in 1907. Individual deposits in national banks increased from $1,668,413,507 in 1896 to $2,458,092,737 in 1900 and $4,322,880,141 in 1907.

A Check Interposed by War.

In other commercial countries also progress was rapid during the ten years ending with 1907, but was checked in several cases by war and other special circumstances. The most conspicuous cases of this sort were the effects of the war in South Africa upon Great Britain from 1898 to 1902 and the effects of the war between Russia and Japan in 1904-1905. The war in South Africa cost the British Government nearly $800,000,000 and resulted in loans to the amount of nearly $600,000,000.[1] The effect was severely felt in the money market in restricting the supply of capital for other classes of investments. Especially was the issue of large quantities of new securities felt upon the price of British consols. Quotations had been as high in 1896 as 114¼. The reduction of the interest rate from two and three-quarters to two and a half per cent. took effect in 1903 and had some influence in depressing prices, but the influences which were most potent in carrying down consols to a minimum price of 91 in 1901 and 80¾ in the autumn of 1907 were the great demands for capital and the increase in the amount of consols on the market.

The war between Russia and Japan over the control of Manchuria began in February, 1904, and hostilities practi-

[1] Vide Bulletin de Statisque, April, 1902, LI, 485.

cally ceased in June, 1905. The attack of the Japanese upon the Russians was followed by a serious break in the markets of Paris and Berlin, but partial recovery soon took place. The estimated cost of the war to Russia was about $840,000,000, but this did not represent the disbursements after the peace. The cost to Japan, up to the close of 1906, was officially calculated at about $1,000,000,000.[2] The war between Spain and the United States in 1898, though of minor importance, cost the United States about $165,000,000,[3] and for a time seriously impaired Spanish credit. Thus, in these several conflicts in arms were expended not less than $2,800,000,000, making demands upon the savings of the world equal to more than the usual output of all classes of securities for an entire year.

Coincident with this great destruction of wealth in war was an unprecedented demand for capital for new industrial enterprises. As usual in periods of expanding trade, the resources applied to these enterprises were converted in excessive amounts into fixed forms and the supply of circulating capital became deficient. A period of redundant capital followed the prostration of 1893. During this period, when interest rates in Europe sunk to two or three per cent. and important government loans were refunded at low rates, refunding operations constituted a large proportion of the issues of new securities. When rates for money rose, however, and capital began to become scarce, about 1897, refunding operations substantially ceased. They were resumed to some extent in 1902 and 1903, chiefly in the case of important government loans, but were again brought substantially to a halt in the next two years.

New Capital Issues.

The amount of securities outstanding throughout the world as early as 1900 was estimated at about $110,000,000,000, or more than the entire wealth of the United States. Great Britain was credited with $26,400,000,000, or $616.97 per capita; France with $19,500,000,000, or $500.94 per capita; and Germany with $10,000,000,000, or $177.41 per capita.[4] To these amounts great additions were made during the following seven years. In Great Britain alone issues of new capital were estimated for the five years ending with 1904 at $3,454,978,975, but this included a considerable amount in foreign securities offered on the London market. In the United States calls for new company capital were computed for 1904 at $1,003,542,200; for 1905, $1,694,187,211; for 1906, $2,307,970,000; and for 1907 at $1,459,325,000.[5] Into Russia was poured in a few years French capital to the amount of at least $200,000,000.

The effect of the war in South Africa was to cause a check to commercial expansion in Europe, which reacted powerfully upon the markets of St. Petersburg, Berlin, and Brussels. In Russia, newly dowered with the gold standard by the skill of Count Witte and encouraged by the consequent influx of foreign capital, prices rose rapidly in 1898 and 1899. The farsighted Minister of Finance gave a warning in vain, early in the latter year, to the bankers of St. Petersburg of the danger of locking up their resources in speculation.[6] The Bank of Russia was compelled to come to the rescue of the market and on September 23, 1899, there was a crash in bank shares and industrial securities which carried them down by from twenty to fifty per cent.

---

2 Report on the War Finance, 1906, 12.

3 Report of the Treasurer of the United States, Finance Report, 1898, 7.

4 For further details, vide article by the author, "The World's Wealth in Negotiable Securities," "Atlantic Monthly," January, 1908, CI, 97.

5 New York "Journal of Commerce," January 2, 1908, Annual Review, second section, p. 10.

6 Raffalovich, Les Crises Commerciales et Financiere depuis 1889, 46.

Financial Disturbances in Germany and Belgium.

The loss of capital in Russian enterprises had its reaction in Germany and Belgium, whence much of the resources for these enterprises had come. In Germany efforts to maintain high prices for iron and coal were made by the large syndicates by curtailing production, but they were only partially effective.[7] Banks which had tied up their capital in new industrial projects, especially electrical, found themselves unable to meet their obligations. Two mortgage banks failed in the autumn of 1900, because they had been speculating in real estate through subsidiary companies. The failures caused a panic in mortgage bonds, which was most acute in the case of two companies which had been gravely mismanaged—the Bank of Pomerania and the Mortgage Bank of Mechlenberg-Strelitz. Bonds of the former fell from 98¼ to 77 and of the latter from 100 to 49; but the discount banks came to their aid and they were saved from failure.[8]

On the heels of the mortgage bank failures came difficulties in two large institutions of a different character. One of these, the *Dresdner Creditanstalt*, was aided temporarily by other institutions, but eventually went into liquidation. The other, the Bank of Leipzig, founded in 1839, and having a capital of $12,000,000 and 12,000 depositors, went down at once. To a single industrial syndicate, the *Trebertrocknung Gesellschaft*, which produced and manipulated the securities of fourteen affiliated companies, advances had been made under various accounts to the amount of $21,000,000. Inevitably the head of the *Leipziger Bank*, Herr Exner, was refused aid when he sought it at Berlin, in spite of the fact that its failure was sure to cause pressure upon other institutions.[9] A serious run followed upon the banks of Saxony and some small institutions and many industrial companies went into liquidation. Much money was lost in tramways and other electrical enterprises. Of 443,550,000 marks ($106,000,000) in nominal capital for twenty-one companies, most of the shares being quoted far above par, there were losses in market quotations between January 1, 1899, and October 15, 1901, which amounted to 270,810,000 marks ($64,500,000), or 61 per cent. of the earlier quotations.[10] Gradually, however, liquidation ran its course and, with the help of the Imperial Bank, affairs returned to a normal condition early in 1902.

Speculation in New York.

In the New York market several special causes of weakness supplemented the general causes of excessive demands for capital and increase in gold production, which were stimulating speculation throughout the world. In America, more perhaps than anywhere else, the game of converting circulating capital into fixed forms went merrily on until the mercantile community woke up, in 1903, and again more emphatically in 1907, to the fact that there was no longer sufficient circulating capital to meet legitimate mercantile demands. Several special causes also, besides the newness of the country, contributed to make speculation in America more reckless than in other commercial countries. Among these factors were the concentration of idle money from the West and South in New York at the seasons when it was not needed for moving the crops; the system of permitting reserve deposits by national banks in the banks of New York, Chicago, and St. Louis; the system of daily settlements on the New York Stock Exchange; the acceptance of small cash margins for speculation from persons without financial responsibility; and the absence of any central control over the discount rate or the movement of gold.

---

7 Levy, La Crise Industrielle, 7.

8 Raffalovich, Le Marche Financier en 1901-02, 66.

9 Raffalovich, Le Marche Financier en 1901-02, 48-53.

10 Idem, p. 187.

Inflation of the Currency and Bank Credits.

The defects of the American currency system appear at their worst in periods of panic. The inelasticity of the bank-note currency, coupled with the provision of law governing the reserve system, cause a strain against which neither the law nor the actual workings of the system afford any safeguard. From 1897 to 1907 a new element of weakness was injected into the situation by the great development of trust companies and state banks without any proper correlation to the national banking system. These state institutions were not only not required to keep adequate reserves, but even the reserves required were permitted to be kept in bank notes. Thus their deposit and credit operations were capable of expanding to enormous proportions without any definite relation to gold—the test of solvency in the world's markets. And such an expansion actually occurred. Within seven years, from 1900 to 1907, total liabilities of state banking institutions and trust companies expanded by more than five thousand millions of dollars, while cash reserves expanded by only about $171,000,000, and the national bank-note issues expanded by about $440,000,000. As these bank notes are secured by evidences of the public debt and not to any appreciable extent by gold reserves, it becomes apparent how one form of credit was built upon another, until the whole fabric became a house of cards which a zephyr might topple in ruins.

And to this fragile nature of the structure was added the fact that there was no refuge to which to look in time of storm, like the central banks of Europe, nor even a system of co-operation for guarding against a common danger. For the national banks and a few of the state banks of New York city, there did indeed exist the clearing-house committee, and through its existence it became possible to take certain steps to avert shipwreck after the storm had reached its worst; but among the trust companies there was not even this slender thread of union. When the clearing-house required of New York city trust companies early in 1903, that they should gradually accumulate ten per cent. in cash reserves against their demand deposits, they withdrew from the clearing-house rather than comply with the requirement;[11] and they made no move to secure reinstatement after the state legislature in 1906 required of all such companies a reserve of fifteen per cent., of which only one-third, however, need be in cash, and the other two-thirds might be respectively on deposit in other banking institutions or invested in prescribed securities. In this position of expansion and of isolation, therefore, stood the trust companies when the storm of 1907 broke, adding a portentous burden to the structure of credit sustained by the reserves of the national banks, upon which the entire structure thus ultimately rested.

The speculative field was greatly widened in the United States by the conversion of private manufacturing enterprises into stock companies and the grouping of these companies by consolidation into the dominating factors in their special industries. Large issues of securities for "good will" became necessary in order to acquire properties which might otherwise prove dangerous competitors, and the securities thus issued became the subject of active speculation for the rise on the stock exchanges. Already, as early as 1900, the number of industrial companies classified by the Census as "combinations" was 183, with capital actually issued to the amount of $3,085,200,868.[12] By the year 1904 the amount of capital, including bonds, of 305 "industrial trusts," was estimated at $6,717,791,533.[13] Of these the greatest, and in many ways the typical consolidation, was the United States Steel

11 For details of this action, vide New York Bankers' Magazine, March, 1903, LXVI, 395.

12 Final Report of the Industrial Commission, XIX, 601.

13 "The Truth About the Trusts," John Moody, 453-67.

Corporation, formed in 1901 by the skill of Mr. J. Pierpont Morgan and representing capital and bond issues of nearly $1,400,000,000.

The Northern Pacific "Corner."

It was inevitable that the conspicuous creation of such a mass of new securities should draw into the maelstrom of stock exchange speculation a new public which had not been there before, that prices of securities should be forced by extravagant expectations to heights not warranted by real value, and that the market should react violently under every sudden gust of adverse influence. Such a reaction of extreme violence took place on the ninth of May, 1901, but it was due to a single episode in stock exchange speculation which had an economic character only in the sense that it was typical of many similar operations.[14] A struggle for control of the Northern Pacific Railway between the rival Morgan and Hill interests led to a rapid advance in the stock, and large "short" sales. The price, from 45¾ in September, 1900, advanced under steady buying to 149¾ on May 7, 1901, and on the next day to 180. Then the fact dawned upon the market that to two banking houses alone more stock had been sold than was available for delivery. The stock was "cornered."[15] A violent scramble to obtain the stock at almost any price to make deliveries caused other securities to be thrown on the market at a sacrifice, and advanced Northern Pacific to 1000. As compared with the prices of two days before, Atchison declined 44½ points; St. Paul, 53; New York Central, 25; Southern Pacific, 27¾; Amalgamated Copper, 33⅜. Money rose for a moment to 75 per cent. and President Tappen of the Gallatin Bank formed a pool to lend $20,000,000 in the market. But it was a storm which soon passed. The buyers of the cornered stock accepted a moderate settlement by the "shorts," prices of securities promptly recovered, and the day after the panic money was loaned again as low as three per cent.

"Undigested Securities."

Speculation raged violently through the year 1902, but received a serious check in 1903. Prices of securities, both railway and industrial, had reached a height which repelled the public and imposed caution upon the banks. In February, 1903, began the decline in the price of pig iron, which was not checked until, from $24.25 per ton, it had fallen by successive stages to $15.50 in November.[16] Inevitably the profits of the Steel Corporation declined, the price of its common stock fell from 39⅞ to 10 and of the preferred shares from 89¾ to 49¾, and in the autumn it became necessary to suspend the dividend on the common stock. Other industrial shares suffered in like proportion and at times during the summer of 1903 grave results were feared for the entire economic order. The fall in quotations for iron was due in large measure to the restriction of orders from the railways, which were influenced primarily not by the decline of business, but by the scarcity of capital. When it was found that bonds issued at low rates for long terms of years could not be sold to advantage, recourse was had in many cases to notes, running for only two or three years, and paying over these short periods a much higher rate of interest than bonds.[17] A large volume of new securities, however, was still undistributed in the hands of rich men and powerful syndicates, and their heavy losses led to the designation of the long period

---

14 Mr. W. R. Lawson declares: "The colossal gambles which follow each other so rapidly in Wall Street and in the 'grain-pit' must shake confidence in the whole commercial system which permits them." — American Industrial Problems, 216.

15 New York Bankers Magazine, June, 1901, LXII, 918.

16 Raffalovich, Le Marche Financier en 1903-04, 770.

17 The sum of $129,600,000 was outstanding in railway notes in April, 1904, all issued since July 1, 1903, and paying from five to six per cent. interest.—New York "Evening Post," April 23, 1904.

of liquidation as "the rich man's panic." By skilful support of the market so that the decline in prices was spread over several months, the worst consequences of the crisis were averted. The industrial depression proved only temporary and by the summer of 1904 speculation for the rise was resumed and continued, with varying fortunes. until the latter part of 1906.

The year 1907 opened with a feeling among far-sighted bankers that speculation had been carried to extremes and that the only safe policy to pursue during the year was one of conservatism. These feelings were justified in March by a sudden collapse in the stock market—one of the most violent and in some respects most peculiar ever experienced. With little previous warning and without any notable event to bring about the crash, buying power suddenly disappeared from the market about the thirteenth of March, and after serious losses on that day prices of leading stocks plunged downward many points on the fourteenth. Reading, which opened at 115, closed at 93; Amalgamated Copper fell from 98 to 80; American Smelting, from 130¾ to 110; and Union Pacific from 145 to 120¼. Losses in many other cases were twenty per cent. and in some cases much more. Issues which were not of a first-class and well-known character became almost unsalable. Margins were wiped out and in some cases were not renewed, and heavy losses were suffered by wealthy men who had been induced to buy Union Pacific and other stocks in the expectation of an advance. Paper profits shrivelled up more rapidly than in the great market breaks of "Black Friday" in 1869 or the panic of 1873.[18]

Gathering of the Storm.

Events during the early summer were not encouraging to the market. The Government prosecutions of corporations culminated in the fine of $29,240,000 imposed upon the Standard Oil Company of Indiana upon 1462 counts for rebating. The scarcity of capital was indicated by the complete failure of bond offerings by leading cities whose credit was above reproach. On August 9, an offer by the City of Boston of $4,000,000 in four per cent. bonds brought bids for only $200,000. Three days later an offer by the City of New York of $15,000,000 four per cents. brought bids of only $2,713,815 at par.[19] The market recovered slowly and fitfully for a time, but suffered another downward movement in July and August, which carried prices in some cases below the level of March. Even after these events, however, although it was known that many individuals had suffered seriously and that loans had been called in large amounts by the banks, there was no important bank failure and no indication of serious disaster until the middle of October.

The October Panic.

As in most panics, the crash came suddenly and at an unexpected moment. It began through the inability of certain persons who were speculating in United Copper stock to continue the operations for a rise which they had been carrying on. A fall in the price of copper metal adversely affected most of the copper securities. Under the misapprehension that a corner had been created in United Copper, quotations were run up in a few days from 37 to 60. All the stock bought by the bull pool, with a view of squeezing the bears, was delivered to them. The brokers found themselves unable to pay for it, the stock dropped on October 16 to 10, and it soon developed that a chain of banking institutions which was under the control of interests affiliated with the copper speculators had become deeply involved in their operations. The result was that several banking

18 The shrinkage in twenty-six principal stocks alone, as compared with January 1, 1907, was computed at $971,500,000.—"New York Times," March 15, 1907, 2.

19 New York Bankers Magazine, September, 1907, LXXV, 436.

institutions—the Mercantile National, the National Bank of North America, the New Amsterdam National Bank and a few smaller institutions—appealed to the clearing-house committee for aid in meeting their adverse balances at the clearing-house.

These conditions afforded an opportunity for the more conservative bankers who controlled the committee to accomplish what they had long desired—the elimination of a group of speculators from the banking world.[20] The latter were notified that the resignations of officers and directors must be placed in the hands of the clearing-house committee and new officers appointed, if aid was to be extended. There was nothing to do but to comply with this demand. New officers were appointed and the institutions were enabled to continue in business. On Monday night, October 21, however, application for aid was made to the clearing-house committee by the Knickerbocker Trust Company, the third largest trust company in New York and having deposits of nearly $60,000,000. It developed that its assets were to a considerable extent locked up in enterprises which could not be immediately liquidated and that the president had been in close business relations with the controlling spirits in the National Bank of North America. The National Bank of Commerce, which attended to the clearings of the Knickerbocker Trust Company, finding a heavy unsettled balance against the company, refused to clear for it, and after a run, in which about $18,000,000 was paid out, on October 22 the company was compelled to suspend.

The next morning began a run upon the Trust Company of America, also having deposits of nearly $60,000,000, which proved to be the most serious run ever made upon a banking institution without destroying it. Within about two weeks the sum of $34,000,000 was paid in cash to depositors and in settlement of checks presented by other banking institutions. A run also began upon the Lincoln Trust Company, which reduced its deposits within a short time from about $20,000,000 to about $6,000,000. Inevitably such events produced their reaction in the stock market. On Thursday afternoon, October 24, business came almost to a standstill for lack of "call" funds. President Thomas of the Stock Exchange hurried over to the office of Mr. J. Pierpont Morgan, at about twenty minutes past two, with the news that the exchange must close if money was not forthcoming. Immediately Mr. Morgan summoned the presidents of the big banks and a fund of $25,000,000 was pledged to prevent disaster.

Already the cool, imperturbable financier who had rescued the national Treasury from suspension in 1895 and made his name a household word by the formation of the United States Steel Corporation, was the recognized chieftain in the measures taken for averting disaster. Secretary Cortelyou, who had hurried to New York on the outbreak of the trouble, insisted that the financial interests should be united, and Mr. Morgan was the natural leader.[21] The Secretary of the Treasury promptly began large deposits of public funds in national banks, which enabled these banks to extend aid more generously to the threatened trust companies than would otherwise have been the case. Within a few days about $35,000,000 of public money was thus

20 Their methods were described thus: "Mr. Morse first and then the Thomases and the Heinzes had, after securing one bank, hypothecated the stock of that bank in various financial institutions, not only here but all over the country, had taken the money obtained by a loan on the stock of one bank to buy stock in another, had mortgaged that and bought into still another, and so on and on. . . . Furthermore, after securing control of banks they had made loans to themselves for the flotation of promotion schemes and for the conduct of operations in the stock market." —Lawrence Dunning, "In the Days of the Panic," in "Van Norden Magazine," December, 1907, II, 43.

21 "Morgan the Magnificent," by James Creelman, in "Pearson's Magazine," February, 1908, XIX, 132.

placed at the command of the market in New York, and considerable deposits were made at Chicago, Pittsburg, Cincinnati, and other central points. Net deposits of public funds held by national banks were ultimately increased from August 22 to December 3, by the sum of $79,834,689.

Under the strain of panic and the rigidity of the currency system, American banking broke down as it had done in 1857 and 1893. On Saturday, October 26, the New York Clearing-House Committee decided upon the issue of clearing-house certificates on the following Monday, and on the same day payment of checks in currency was generally suspended at the New York banks and the same policy spread rapidly throughout the country. Clearing-house certificates were issued directly by clearing-house committees in leading cities. The amounts issued at the principal cities were: New York, $100,000,000; Chicago, $37,505,000; Philadelphia, $13,295,000; Boston, $11,995,000; St. Louis, $12,965,000; Pittsburg, $5,855,000; Baltimore, $2,520,000; Milwaukee, $3,260,000. In Pittsburg and many other places certificates or checks of small denominations were issued for general circulation. In Pittsburg the Stock Exchange also was closed, and in several western states bank holidays were declared by the governors.

Notwithstanding these measures, alarm was not allayed and deposits of many banks and trust companies in New York continued to be withdrawn and hoarded in currency. The refusal of the banks to pay currency for checks caused a so-called "premium on currency," which rose as high as four and a half per cent. and was for a considerable time at three per cent. It was estimated that during October and November not much less than $25,000,000 in currency was sold by brokers in the financial district for checks.[22] Almost immediately also the New York banks began to feel the strain of the demand from their correspondents in the interior for the return of their reserve deposits. It was calculated that from the beginning of the panic to the close of December about $296,000,000 in currency was absorbed throughout the country and that of this sum $218,000,000 passed through the New York banks.

Foreign exchange, fluctuating uncertainly at first because of the disposition in Europe to sell and remit American securities, turned sharply in favor of gold imports, and before the end of October engagements of over $24,000,000 were announced, which were swelled during November and December to an aggregate of more than $100,000.000.[23] While $94,000,000 of this gold was imported at New York, it was filtered through the New York banks so quickly into other parts of the country and into private hoards that the cash holdings of the national banks showed a loss of about $42,000,000 and state banks and trust companies showed a net loss of $19,000,000. The New York Clearing-House banks shipped to the interior, from October 19 to December 7, $106,921,700 in excess of their receipts of currency during the same period.[24]

The heavy demands for gold converged chiefly upon London and caused the Bank of England to advance its discount rate three times within eight days—from four and a half to five and a half per cent. on October 31; to six per cent. on November 4, and to seven per cent. on November 7—the

22 A. D. Noyes, "The Financial Panic," in "The Forum," Jan.-March, 1908, XXXIX, 302.

23 The "premium on currency" made it profitable to import gold with exchange, in bank checks, far above the usual gold export point. While the normal gold import point is $4.83½, a premium of three cents on the dollar would permit importations without loss at a rate nearly fifteen cents higher. The rate promptly advanced from $4.80 as high as $4.91, without checking gold imports. Vide Noyes, "The Forum," Jan.-March, 1908, XXXIX, 308.

24 Response of the Secretary of the Treasury to Senate Resolution of December 12, 1907. Senate Document 208, 60th Congress, 1st Session, 15.

highest rate fixed by the bank since 1873. In Germany the bank rate was advanced, first, on October 29, from five and a half per cent. to six and a half per cent. and on November 8 to seven and a half per cent. The Bank of France also, in spite of its immense holdings of gold, advanced its rate to four per cent. and extended relief to the London market by discounting a quantity of short-term Treasury bills.

For a moment there was serious talk of a direct arrangement with the Bank of France to send gold to New York. It was recalled that the French bank had repeatedly aided the London market in emergencies, advancing in the Baring crisis of 1890 as much as $15,000,000 to the Bank of England. But the French bank, when approached in behalf of America, responded that as there was no central institution in America like the Bank of England, it was disposed to deal only with the American Treasury. This the American Government found inadmissible, and the project fell through, but the French bank parted with nearly $16,000,000 in American eagles upon the security of French commercial paper.[25]

Change in the Foreign Trade.

While pressure upon the banks was at its maximum, exchange between different cities became difficult by reason of the suspension of currency payments and even the market for foreign exchange was temporarily blocked. Almost immediately, however, came into play the well-established economic principle, that in such emergencies goods will be sacrified to obtain money. The change in the character of the foreign trade of the country within the short period of five months presented an instructive revolution. A volume of imports which, in connection with foreign freights, increase the obligations of the country abroad, was suddenly turned into a balance of two to one in favor of exports by expediting the movement of crops to Europe and by the curtailment of imports. The actual figures of the merchandise movement in these five months afford so striking an illustration of the tendencies of the market in time of panic that it is worth while to reproduce them:

FOREIGN TRADE MOVEMENT, AUGUST 1 to DECEMBER 31, 1907.

Month.	Imports of merchandise.	Exports of merchandise.	Excess of exports.
August,	$125,806,043	$127,270,447	$1,464,404
September,	106,365,180	135,318,342	28,953,162
October,	111,912,621	180,256,085	68,343,464
November,	110,942,916	204,474,217	93,531,301
December,	92,288,771	207,179,436	114,890,665

Effect of the Panic on Commerce.

Commercial conditions naturally reflected the strain in the money market. The crisis came too late in the year to pull down greatly the average of business movements, but in the last ten weeks of 1907 stock market prices fell sharply, clearings decreased, dividends were passed or reduced in many cases, and the failures of large corporations and private firms became frequent. The shrinkage in the market value of stock exchange securities alone was estimated as high as $5,000,000,000.[26] Exchanges through the clearing-houses showed a marked decline from the moment of the outbreak of the panic. By December the total for all cities reporting was the smallest of any month since September, 1904, and reflected a decline of thirty-four per cent. from December, 1906, thirty-five per cent. from December, 1905, and twenty-six per cent. from 1904. For the calendar year clearings at New York fell from $104,675,826,656 in 1906 to $87,182,168,381 in 1907.[27] The total of liabilities of insolvent enterprises was

25 Yves Guyot, "La Crise Americaine," in "Revue de Commerce de l'Industrie et de la Banque," December 31, 1907.

26 New York "World," December 29, 1907. Computed shrinkage on leading stocks as compared with December 31, 1906, was $2,609,552,825. Losses on bonds were estimated at $1,000,000,000 and on mining and unlisted stocks nearly $1,500,000,000.

27 "Bradstreet's," January 4, 1908, XXXVI, 3.

swelled by a few important suspensions, like those of the Knickerbocker Trust Company, the Pope Manufacturing Company, the Westinghouse Company, and the Arnold Print Works, until the total was three times that of 1906. About seventy banking institutions went down in the last three months of the year, but some were of small importance, and the number of national bank suspensions did not compare with the dismal record of 1893. Commercial failures of all classes for a series of years were as follows:

COMMERCIAL FAILURES, 1898—1907.

Year.	No. in business.	No. failing.	Liabilities.	Per cent. of assets.
1898...	1,093,000	11,638	$141,137,115	52.1
1899...	1,125,000	9,634	119,730,593	51.8
1900...	1,161,000	9,913	127,184,705	47.2
1901...	1,207,898	10,657	129,978,838	46.9
1902...	1,238,973	9,971	105,693,623	48.0
1903...	1,273,000	9,768	154,277,093	54.5
1904...	1,308,000	10,422	143,300,845	53.1
1905...	1,352,947	9,970	121,770,668	53.5
1906...	1,401,985	9,384	123,827,957	49.9
1907...	1,447,680	10,285	371,342,692	72.5

Relief Measures of the Government.

In order to demonstrate the determination of the Government to exercise its powers fully to avert disaster, the Secretary of the Treasury took another important step. His deposits of public funds in the banks had been so large that is was no longer possible to continue this form of relief to the market.[28] Accordingly, in order to draw out more funds from hoards, and make it possible to increase bank-note circulation, Secretary Cortelyou announced on Sunday, November 18, that he would receive subscriptions for $50,000,000 in two per cent. bonds for the construction of the Panama Canal and for $100,000,000 in three per cent. Treasury certificates running for one year. These measures were "influenced by the conclusion that it was advisable to take some strong and resolute step which would convince the public, both at home and abroad, that the Government was thoroughly alive to the situation and determined to give its aid in every possible legal and proper form."[29]

It was not intended to accept bids for the full amount of these issues, if they were not found necessary, and eventually allotments were made of only $24,631,980 in the Panama bonds and $15,436,500 in the certificates of indebtedness. One of the purposes of the issues of new securities was to stimulate the increase in bank-note circulation. As the result of this and other measures taken by Secretary Cortelyou, including more liberal rules for the acceptance of bonds to secure deposits, bank-note circulation advanced from $607,118,742 on October 15, 1907, to $631,344,943 on November 15, $674,914,235 on December 15 and $695,927,806 on January 18, 1908. These figures indicate that, in spite of the encouragement given by special measures, the inelastic character of the bank-note system delayed the larger part of the increase until after the need for the new notes had ceased.

Turn of the Tide.

The effect of these various measures of relief was soon felt in the cessation of hoarding, the decline of the premium on currency, and the increase in the cash reserves of the New York Clearing-House banks, which had been subjected to intense strain at the height of the panic. The deficit in reserves, which stood for the week ending No-

[28] In response to the criticism that he had no right to issue securities to obtain funds when he had large deposits in banks, the Secretary stated that "while the entire economic resources of the country were being devoted to the relief of the monetary stringency, not only on the part of domestic bankers, but by foreign-exchange houses and by the railways in the prompt movement of freight for export, it seemed inadvisable for the Secretary of the Treasury to take any step which would tend to counteract these efforts by withdrawing funds from the banks and thereby adding to the evils which it was his earnest desire to alleviate and bring to an end."—Senate Document 208, 60th Congress, 1st Session, 19.

[29] Senate Document 208, 60th Congress, 1st Session, 17.

vember 2 at $38,838,825, had been further swelled on November 9 to $53,666,950, but the increase in the next week, following the action of the Treasury, was less than $500,000, and in the following weeks turned rapidly downward, until on December 28, 1907, the amount had been reduced to $20,170,350. The next few weeks saw the extinction of the deficit and the rapid accumulation of cash which usually follows a panic, until reserves stood on February 1, 1908, at $325,152,100 in amount and $40,526,725 in excess of legal requirements.

By the latter part of November the worst of the panic was over, so far as the money market was concerned. Payments in currency were gradually resumed, the Secretary of the Treasury was able to withdraw a certain amount of public moneys from the banks, and further engagements of gold were suspended. In Europe, also, conditions rapidly changed, so that the directors of the Bank of England during January reduced the discount rate by successive steps from seven per cent. to four per cent. The gold stock of the bank, which had fallen on November 7 to £27,725,225, rose by January 30, 1908, to £38,508,150. The Bank of Germany felt the benefit of the inflow of cash after the turn of the year and was able to reduce its discount rate, first from seven and a half per cent. to six and a half per cent., and on January 25, 1908, to six per cent. Within about two weeks—from December 31, 1907, to January 17, 1908—its metallic reserve increased by $32,000,000 and its notes outstanding decreased by $82,000,000.

CHANGES IN THE BANKING LAW OF NEW YORK.

On April 27 Governor Hughes signed eight more of the bills recommended by Superintendent Clark Williams of the State Banking Department designed to correct certain evils developed during the financial disturbance in October last.

The two most important are those increasing the reserve of banks, trust companies and individual bankers. For state banks the reserve in Manhattan is increased from fifteen to twenty-five per cent.; in Brooklyn it is at twenty per cent., and in other localities it is increased from ten to fifteen per cent. Trust companies in New York city must have a reserve of fifteen per cent., of which all must consist of legal tender in Manhattan Borough and two-thirds legal tender in the other boroughs of New York. Up state the reserve is fixed at ten per cent., of which one-half must be in legal tender.

The other bills provide:

A trustee of a savings bank must take an oath to perform his duties when elected to office.

A savings bank may hypothecate its security in time of stress, upon the written consent of the Superintendent of Banks.

A list of all loans made during the month shall be submitted to a committee of five of the board of directors of all banking institutions.

Branches of state banks must have $100,000 capital in addition to that of the parent institution, and must obtain the consent of the Superintendent of Banks, except in cases of branches already formed, where the consent of the Superintendent is not necessary and the additional capital required is $50,000.

Any director, trustee or employee of a banking institution who deposits the funds of his institution with another banking corporation on the agreement that a loan will be made in return to him is guilty of a misdemeanor.

The Superintendent of Banks shall post on a bulletin board each week a list of the transactions of the department.

COL. WATTERSON'S IDEA OF FRENZIED FINANCE.

"Don't marry until you feel that you positively cannot live without her," says a Cleveland minister to bachelors. Is this sentiment or frenzied finance?—*Louisville Courier-Journal.*

A COURSE IN BANKING AND CURRENCY.

By Elmer H. Youngman, Editor Bankers Magazine.

SO many requests reach THE BANKERS MAGAZINE for a list of the best books from which to obtain a primary knowledge of money and banking, that the following brief list has been prepared, together with some comment upon the character and scope of the books named. The list has been prepared with a view to the needs of the busy man who has not made a serious study of currency problems. For this reason it is a short one. The fact that certain books are included is not in any way a reflection upon other works, many of which, indeed, may be broader in scope or more elaborate in detail than those named. For the advanced student, who wishes to go deeply into the problem, elaborate bibliographies will be found in several of the books herewith recommended. The books selected are chiefly those published within a comparatively recent time, which bring practical experience down to date and deal with theory as it is illustrated by such experience. Many events of first-rate importance have occurred within the past one or two decades which have shed much light upon monetary theory. Among these have been the abandonment of silver or of the bimetallic system as a standard, the successful operation of what is called the "gold exchange standard" in British India, the Philippines and other countries, and the gradual tendency towards a central bank of issue in the countries of Europe. What were serious problems ten or twenty years ago have ceased to be practical problems at the present time, while many new problems have arisen from the enormous extension and the great complexity in the issue of negotiable securities.

For the purpose of convenience, a classification is made of the books which are recommended, but it is not contended for this classification that it is in any sense scientific or complete. It is simply a guide, as already stated, to the business man who is willing to invest $40 to $50 in the nucleus of a well selected library on monetary and banking science.

GENERAL WORKS ON POLITICAL ECONOMY.

The number of general works on political economy is large and many of them have high merit. The work of Adam Smith, "The Wealth of Nations," published in 1776, and of John Stuart Mill, "Principles of Political Economy," first published in 1848, can still be obtained in a variety of editions, and are well worth reading by the scholar. For direct application to the modern problems, however, the more recent works named below would probably be found more practical:

Seligman, Edwin R. A.: "Principles of Economics," New York and London, 1905.

Professor Seligman stands in the front rank of living American economists and his book is clear and forcible. The number of pages devoted to money and banking is about forty, but this is exclusive of other related subjects.

Fetter, Charles A.: "The Principles of Economics," New York, 1904.

This book presents very clearly the conclusions on economic principles reached by leading economists in recent years. The number of pages devoted directly to money and banking is about sixty.

Seagar, Henry R.: "Introduction to Economics," New York, 1904.

Follows to some extent the lines of historical development, bringing recent practical illustrations to the support of the principles laid down. The number of pages devoted directly to money and

banking is about sixty, exclusive of foreign exchange and kindred subjects.

Works on Money.

Jevons, W. Stanley: "Money and the Mechanism of Exchange," London, 1875, pp. 349.

Is very compact, containing only about 85,000 words, but presents clearly the principles of metallic money. The author's views on the bank note system of the Bank of England do not accord with those of many other economists.

Walker, Gen. Francis A.: "Money," New York, 1891, pp. 550.

This work was written when General Walker was a young man, and filled at the time the need for a systematic treatment of money in modern times. It contains much of interest, presented in vigorous style, but the author's views in favor of bimetallism and against a credit currency are not those of most modern writers.

Johnson, Joseph French: "Money and Currency," New York, 1905, pp. 398.

The first of two or more volumes intended to deal with the entire problem of money and banking; devotes much space to the author's views on the principles determining the value of money. It is a valuable and well written book.

Conant, Charles A.: "The Principles of Money and Banking," two volumes, New York, 1905, pp. 437 and 488.

The most comprehensive treatise on the entire subject of money and banking which has been completed in recent years. The first volume is divided into three books—"The Evolution of Modern Money," "The Principles of the Value of Money," and "The Evolution of Monetary Systems." A full explanation is given of the evolution of the gold standard and of the development of the gold exchange standard, in which the author had an important part. The second volume relates to the principles covering bank note currency and negotiable securities. Its contents are referred to further down.

Scott, William A.: "Money and Banking," New York, 1903, pp. 381.

A general survey of the monetary problem, longer than Jevons, but less elaborate than Conant.

Babelon, Ernest: "Les Origines de la Monnaie," Paris, 1897, pp. 427.

This is an interesting and suggestive little work in French on the manner in which a sound and convenient money was evolved from the use of inferior instruments down to the metallic standard of modern times. While the matter is largely historical, it is treated in a broad, philosophical spirit.

The Principles of a Banking Currency.

Dunbar, Charles F.: "Chapters on the Theory and History of Banking," New York and London, 1893, pp. 199.

By the eminent professor of Harvard University, recently deceased, who stood at his death among the half dozen leading American economists. The work is short, but contains chapters on the Bank of England, the Bank of France, and the Imperial Bank of Germany, which bring out clearly the operation of their systems of note issues.

Conant, Charles A.: "The Principles of Banking," New York, 1908, pp. 488.

A reprint in separate form of Volume II. of "The Principles of Money and Banking," referred to above. Divided into three books, "The Principles of a Banking Currency," "The Evolution of Commercial Banking," and "The Co-operation of the Factors of Exchange." Deals perhaps most fully among recent treatises with the security for bank issues, limit of reserves, and similar topics. The second book deals more largely with the check and clearing systems. The third book treats of the part which negotiable securities dealt in on the stock exchanges play in financial operations. This subject is not treated in a similar manner in any other book on money and currency.

White, Horace: "Money and Banking," New York, 1902, pp. 474.

Second edition, radically rewritten, of a valuable book first issued during the currency and silver discussions of 1895. Deals with both the questions of metallic money and bank note currency from the standpoint of practical problems in American monetary experience. Contains much valuable historical matter, but so treated as to apply to existing conditions.

Youngman, Elmer H.: "Credit Currency," New York, 1907, pp. 35.

Elementary in character. Treats solely of the principles of a bank note currency, and shows the advantages of coin and commercial paper over bonds as security for bank circulation.

Report of the Monetary Commission of the Indianapolis Convention, Indianapolis, 1898, pp. 600.

This large volume contains one of the most complete statements of the defects of the American currency system, the means of remedy, and parallel experiences of Canada, Scotland, and other countries. Prepared by Prof. J. Laurence Laughlin, with the aid of Prof. N. Parker Willis and Mr. L. Carroll Root.

The History of Banking.

Conant, Charles A.: "A History of Modern Banks of Issue, with an Account of Economic Crises," New York, 1908, pp. 610.

Has been the standard short work on the history of banking for the past ten years. Contains separate chapters on the leading European banking systems, the banks of the United States, the state banking systems, the national banking system, the Canadian system, and the Latin-American and Oriental systems. A recent edition includes a new chapter on the crisis of 1907.

Knox, John Jay: "A History of Banking in the United States," New York, 1900, pp. 880, published by the Bankers Publishing Company.

Written by the Hon. John J. Knox, formerly Comptroller of the Currency, and edited by Elmer H. Youngman, editor of The Bankers Magazine. Is, perhaps, the most complete collection of data on the banking development of this country. Gives full accounts of the state systems before the Civil War, and describes the evolution of the national system from its foundation in 1864 to the date of publication. Many side-lights are thrown also on the evolution of the banking systems of the various states.

Gilbart, J. W.: "The History, Principles and Practice of Banking." Two volumes, London and New York, 1908.

A new edition of a work which has long been a standard in England, by a practical banker who lived and wrote more than a generation ago. Has been brought up to date by the editors, and is, perhaps, the most valuable hand book not only of English banking history, but of banking practice.

Noyes, Alexander D.: "Thirty Years of American Finance," (1865-1896), New York, 1898, pp. 277.

A graphic and readable sketch of American currency and money market troubles as influenced by crop movements and foreign exchange. Author is financial editor of the New York Evening Post.

Breckenridge, Roeliff Morton: "The Canadian Banking System—1817 to 1890," New York, 1895, pp. 476.

The best and most complete account of the evolution of the Canadian system of large independent banks with branches, which were brought into mutual relations by the legislation of 1890, establishing a safety fund for the redemption of notes of failed banks. Any one desiring full knowledge of the Canadian system should have this book.

Foreign Exchange.

Goschen, George J.: "The Theory of the Foreign Exchanges," London, 1894, pp. 152.

The classic English work on the general principles of foreign exchange, but is, perhaps, a little less up to date than the next work recommended.

Clare, George: "The A B C of the Foreign Exchanges," London, 1895, pp. 160.

Sets forth in brief compass and in simple form the principles underlying foreign exchange operations under modern conditions. While not remarkable in style, is one of the best short treatises available in English.

Trust Companies.

Kirkbride & Sterrett: "The Modern Trust Company," New York, 1905, pp. 309.

Goes thoroughly into the organization and methods of trust companies. Owing to the recent development of the trust company system, literature on the subject is comparatively limited and this is the principal systematic work yet published.

Herrick Clay: "Trust Companies."

This work has been appearing from time to time in the New York Bankers Magazine. It will soon be published in book form. It reviews the history of trust companies, describes their organization and outlines the best method of conducting them. It will be, when issued, one of the best and most comprehensive works on the subject.

Banking Practice.

Patten, Claudius B.: "The Methods and Machinery of Practical Banking," New York, 1896, pp. 515, published by the Bankers Publishing Company.

A work by a practical banker, which deals fully and completely with the principles governing banking practice, including the making of loans, relations with depositors, and other details in addition to the issue of notes.

Barrett: "Modern Banking Methods," New York, 1905, published by the Bankers Publishing Company.

This book deals more explicitly with the details of bookkeeping in banks than the one previously named. It is one of the most complete available compendia of practical banking methods for the use alike of officers, directors and employees in the modern bank.

Fiske, Amos K.: "The Modern Bank," New York, 1904, pp. 348.

This work, by the accomplished editor of the New York Journal of Commerce and Commercial Bulletin, deals with a modern bank from the standpoint of analysis and forms in some respects one of the best books for a beginner. The subject of bank note currency is dealt with and also that of the relation of the bank to the public, but details of practice are not gone into so fully as in the two books previously named.

NEW COUNTERFEIT $20 GOLD CERTIFICATE.

SERIES of 1906; check letter B; W. T. Vernon, Register of the Treasury; Chas. H. Treat, Treasurer of the United States. Portrait of Washington.

This counterfeit appears to have been printed from photo-etched plates on two pieces of paper, between which silk threads have been distributed. The Treasury number on the specimen at hand is B426426. The color of the large XX, seal, and Treasury numbers is lemon yellow instead of orange. The lathe work on the face of the note is very poor. The periods between the initials of Register Vernon's name have been omitted. While the color of the back of the counterfeit approximates closely that of the genuine, no attempt has been made to imitate the lathe work or other fine details.

TORRENS LAND BILL.

ON April 22 the New York Senate passed the bill providing for the Torrens system of registration of land titles.

THE DEVELOPMENT OF THE TRUST ACCOUNT IN NEW YORK.

By William H. Kniffin, Jr., Cashier Home Savings Bank of Brooklyn, N. Y.

A COMPARISON of the accounts in an old-time savings bank ledger with those of recent date will demonstrate two things: first, that the accounts of later date are more active, and secondly, that the character of the accounts has radically changed.

The increased activity, especially in the city banks, may easily be accounted for from the increasing popularity of this class of institutions. They are preeminently the banks of the people. The savings banks of New York State hold a billion and a half of the people's money, representing two million, seven hundred and forty-one thousand accounts, giving a savings account for every three of the population. During the "recent unpleasantness," no savings bank was mentioned except with credit. They were in no wise connected with the banks in disrepute, and while others were toppling all around them, they stood out in sharp contrast, as the criterion of safe and conservative banking.

As a safety measure, and to aid in quieting the unrest, many were compelled to enforce the withdrawal notice, but as to their safety, their security and their solvency, they were never for a moment in question. The fact that no savings bank in this State has closed its doors since 1879, a period of over a quarter-century, has given the savings bank a long, creditable record that cannot but bear fruit.

Twenty years ago, the single-name account predominated, for the trust and joint account had not yet become widely known, nor were the merits and advantages of such accounts commonly understood. As the years have gone by, these features have become more generally known among the people and are now widely used and universally popular. The reasons are obvious.

Avoiding the Law.

The average man has a friendly hatred for the lawyer and the tax collector. To keep out of the clutches of both, after death as well as in life, is the aim and ambition of many. To so arrange earthly affairs that the municipality will get as little as possible, and to leave matters in such shape that inheritance taxes, probate and administration will be defeated, is a laudable ambition and carries with it the hallmark of cleverness.

Not only to avoid litigation and taxation, but to "beat the bank," has brought the two-name account into favor and sometimes into disrepute. Many banks restrict the amount on deposit in any one name. Others pay larger rates of interest on small deposits and to overcome this, Mr. Wiseacres splits his money up and frequently carries several accounts in the same bank, technically other people's money, but in reality his own under disguise. The whole family, relatives, and at times fictitious persons, have been created to accomplish the purpose. He wants to control it while he lives, yet

have it go where he will at death, without cost or delay.

Avoiding a Will.

The joint and trust account each has its desirable, its commendable side, as any bank man knows. Persons of moderate means, having their all in the savings bank, can thus dispose of their holdings without the cost or formalities of a will. Not only in matters financial, but also in law, society, politics and religion, the bank man is the confidant and adviser of his patrons.

The man with a modest estate, aided by his banker, can so arrange his entire property that testamentary administration will not be required. His realty can be held in joint title; his stocks and bonds duly assigned, or held in escrow; his money in bank held in joint or trust account.

As far as the bank account is concerned, it was not ever thus, for many a good intention has come to naught, through technicalities of which the owner never dreamed, as will presently be seen. The joint account as now accepted by many savings banks accomplishes the same purpose as the trust account, except that the latter reserves absolute control to the trustee during life, while the joint account gives both parties the same rights, if the book is in possession.

Inasmuch as this paper has to do principally with the trust account, and a trust and a gift being somewhat similar, it will be interesting and important to note the technical difference between the two. Many good people have intended to make a gift and have created a trust, while others have had a trust in mind and made a legal gift, and still others have intended to do neither, yet have legally bound themselves.

A Trust Defined.

It is an accepted principle of law that a gift is consummated by delivery; a trust by declaration. In both instances, *there must be a clear intent, coupled with unmistakable acts indicating that desire.*

To make a valid gift *inter vivos*—between the living, there must be a delivery of the thing itself, or its representative, to the donee, or some one for him, so as to divest possession and title of the donor, attended by the *intention to do that thing.*

To make a trust effective, however, there must not only be the intent, but also the *due declaration of that intent,* to divest one's self of the actual title, and hold instead, as trustee for the use and benefit of another. To quote from an old-time decision, "In trust estate, enough must be done to pass title, although when a trust is declared, whether in a third person or donor, it is not essential that the property should actually be possessed by the *cestui que trust,* nor even is it essential that the latter should be informed of it."

Hilton on Trustees says, "When the author of the voluntary trust is possessed of the legal interests in the property, a *clear declaration* of trust contained in, or accompanying a deed or act which passes the legal estate, will create a perfectly executed trust. And so, a *declaration or direction by a party,* that the property shall be held in trust for the object of his bounty, though unaccompanied by a deed or other act divesting himself of the legal estate, is an executed trust."

For many years the courts refused to allow the trust accounts in savings banks to be considered tentative trusts, and generally held that such were absolute, often in clear violation of the intent of the owner. But the increasing popularity and number of these accounts has caused a radical change of ruling and the account in trust, as commonly held by the savings banks, is now sanctioned both by judicial interpretation and legislative enactment.

A study of the cases bearing on these subjects, noting the change of judicial sentiment, will be interesting and perhaps profitable. We shall take them *seriatim.*

A Standard Case.

A leading case for many years and oft quoted in the process of time, was that of Martin vs. Funk, 75 N. Y., 134, decided Nov. 12, 1878, which is the story of how Susan Boone deposited $500.00 in the Citizens' Savings Bank of New York on March 23, 1866. The account was held in trust for Lillie Willard, who was never informed of the account and knew nothing of it until after the death of Mrs. Boone. The latter always retained the book and never withdrew aught except one year's interest. She died, as mortals must, and the book was found among her effects, and Miss Willard sued the administrator to recover the amount, and won.

Mrs. Boone evidently intended that her distant relative should get this money without a fight, but it established a precedent that was of long standing, and in many instances resulted in a miscarriage of the owners' clear intention. The court said "It would scarcely have been stronger if she had written in the book, 'I hereby declare that I have deposited this money for the benefit of Lillie Willard and I hold the same in trust for her.' The retention of the pass book was not inconsistent with this construction, for she must be deemed to have held it as trustee. The book was not the property, but the voucher for the property, which consisted of the debt against the bank.

"Possibly (and quite probably) she may have believed that she retained control and could treat the money as her own. This is not clear, but if she did, it would not change the legal effect of her acts."

It was accordingly held that an absolute trust was established and the funds went to the one whom the good lady desired to favor, and all was well.

Others of Like Tenor.

Likewise did Clarinda P. Urner deposit $288.00 in trust for her daughter, Sarah J., in the Seamen's Bank for Savings, but subsequently drew out all of the original deposit. Later she augmented the fund to the extent of $2,000 from the sale of real estate. The ruling of the last-named case held good, inasmuch as *clear intent* was shown that the daughter should have the money. The daughter had been unfortunate and it was evident that the mother desired to make provision for her, and took this method of doing it. It differs from the Boone case in that the original deposit was entirely withdrawn. In a later case this will be commented on. Retaining the book, as she did, did not alter the trust, and while she may not have had the technical right to use the money, yet such withdrawal would not alter the character she had originally given the fund and an absolute trust was therefore created, much to the profit of Sarah J. (Willis vs. Smyth, 91 N. Y., 298).

The only distinguishing feature of the trust account opened by Benjamin Bailey in the New York Savings Bank, in trust for Ida Mabie, was the fact that he showed the book to the mother of Miss Mabie, remarking that "the deposit was large enough to amount to something when she grew up." In reply to the question as to why he did not give her the money at once, he stated that "it would do her more good later on"—*clear intentions* and *explicit declaration that distinguishes a trust.* As in the other cases, the funds were drawn upon by the trustee, but this would not tend to void the trust, for "a trust once established and no power of revocation being reserved, it was within the authorities, irrevocable" (95 N. Y. 209).

Entirely different from the above instances, was the case of Boone vs. Citizens' Savings Bank, in which the funds were paid to the administrator of the intestate and not to the beneficiary, as is now the custom, for when the beneficiary sued the bank, she was told to look to the legal representative, for an absolute trust being created, whatever rights the trustee had, devolved upon the administrator, and if so, the bank rightfully paid the money to that per-

son, in the absence of adverse claim being filed against the account.

Irrevocable Trusts.

A very good example of an irrevocable trust will be found in the case of Robinson vs. Appleby, 69 App. Div., N. Y., 509. The Riverhead Savings Bank opened an account with one Helen C. Pratt, in trust for Freddie H. Robinson, and made notation "Not to be paid to F. H. R. until he is 30 years of age." She also signed a statement to the effect that "After my death, the balance then due is not to be paid to F. H. R. until he becomes thirty years of age." The pass book was never given to Mrs. Pratt, but was retained by the bank. Mr. Robinson died, and Mrs. Pratt withdrew the entire account. Here was a clear case of irrevocable trust. The intent; the declaration; the delivery *in escrow*—to hold for the benefit of another—was full and explicit and no other construction can be given to it. An independent instrument was executed and the bank held the book as custodian of the fund. *Not only was the trust declared, but also the time for its execution.*

Likewise in the case of Farleigh vs. Cadman, 159 N. Y. 170, where the beneficiary was present when the account was opened and understood the transaction. Having married against the will of the trustee, he withdrew the fund and placed it in another fund, but the former beneficiary sued to recover, and got her money.

Good Intentions Defeated.

Good intentions often go askew. Procrastination is the thief of time. The good woman—a maiden lady, with neither "chick nor child" and five thousand in the bank, who intended it all to go to a favored niece, waited a bit too long. She talked about the matter, times without number. Coming in at holiday time for a bit of shopping money, she remarked that "as soon as Christmas was over, she would come down and fix it up," and went home and dropped dead, leaving the favored niece unprovided for and one to whom she wished nothing to go became the sole object of her bounty.

So also did Catherine Sullivan, when she took out a certificate of deposit in the Chemung Canal Bank, payable to herself, or "in case of death to a niece," of similar name. She doubtless *intended to create a tentative trust;* at least, she told the teller "to fix it up so she could get it, but in case of her death it would go to the younger Catherine," but nothing of the sort occurred, whether it was the teller's fault or the judge's, is not pertinent to the question.

She kept the paper in her own possession until death, when it was found among her other papers. The court held that she made no legal attempt to create a trust and no gift could be construed, for the bank was at all times *her* debtor. Nothing was done to pass title. The niece had no rights in the present, but could acquire them in the future, and this can only be done by will—and this was not a will (161 N. Y. 554).

Whose Money?

"Was it John O.'s money, or Aziel's?" was the question put to the court in Beaver vs. Beaver, 117 N. Y. 421, which came about because John O. Beaver deposited some money in the name of his son in the Ulster County Savings Institution, of Kingston, N. Y., and had the book inscribed "payable to John O. Beaver," which was afterward erased, by whom is not known.

The father held the book for twenty-two years in ignorance of the son, and treated the account precisely as his own and died, leaving upwards of eighteen hundred to the credit of Aziel, who was also dead. There was no gift, said the court, for the book was never given, nor even was the son acquainted with the deposit. *There may have been intent to constitute a trust,* but it was a bad job, and so John O.'s representa-

tives got the money and Aziel's got—left.

The Court Changes Its Mind.

We now come to the point where the court begins to recognize the usages and customs and intentions of the times, and looks with favor upon the tentative trust as now accepted in most savings banks.

Rebecca Barefield opened a trust account for her mother, taking the book and keeping it at all times. The mother knew of the transactions, and at her death Rebecca closed the account and was sued by the other heirs. She testified that it was her money; that the mother had told the physician she had no property to will; she had given it all to the daughter and all attending circumstances pointed to a tentative trust, which was accordingly sustained (177 N. Y. 387).

Likewise when John Cunningham placed an account with the Bowery Savings Bank of New York—the biggest in the world—in trust for his brother Pat, and withdrew the same three days after Pat died and in consequence was sued by Pat's administrator for the amount and won. A more or less humorous mix-up is here suggested. If it was Pat's money the bank had paid to John, then it could be sued for paying the wrong man; but if it had a right to pay John, and John had Pat's money, then John must stand suit for having Pat's money. Pat's administrator had his choice. If he sued the bank, they would say, "We have paid Pat's money to John—for it wasn't Pat's, but John's. If John has what you think was Pat's, then go after John."

The administrator did go for John, and said: "You have got Pat's money! It belongs to me—hand over!" He therefore admitted that the bank did not have Pat's money, but John did—they both could not have it at the same time and the bank had paid it once. John therefore said, and the court sustained him, "Pat's money was my money—it was never Pat's at all, at all, but my money. The money that the bank had that belonged to Pat, never belonged to Pat at all, at all, but belonged to me—to me."

The Judge Rules.

This will bring us to a definite court decision and a ruling of more than passing interest. Judge Andrews, in a decision rendered Oct. 8, 1895, said:

"It may be justly said, that a deposit in a savings bank by one person, of his own money to the credit of another, is consistent with an intent on the part of the depositor to give the money to the other. But it does not, we think, of itself, without more, authorize an affirmative finding that the deposit was made with the intent, when the account was a new account, unaccompanied by any declaration of intention, and the depositor received at the time a pass book, the possession and presentation of which . . . is made evidence of the right to draw the deposit.

"We are inclined to think that to infer a gift from the form of the deposit alone would, in the great majority of cases, and especially where the deposit was of any considerable size, impute an intention which never existed and defeat the real purpose of the depositor. *We think the reasoning of this opinion is equally applicable to a case presenting the question whether a trust is created by opening an account in the name of, or in trust for, a third person.*"

The doctrine laid down by this court in the previous cases amounts to this: that the act of a depositor in opening an account in a savings bank in trust for a third party, the depositor retaining possession of the bank book and failing to notify the beneficiary, creates a trust if the depositor dies before the beneficiary, leaving the trust account open and unexplained. If the intent can be strengthened by acts and declarations of the depositor in his lifetime amounting to publication of his intent, a more satisfactory case is made out, but it is not absolutely essential, in the absence of explanation, where the

depositor dies leaving the trust account existing.

The court therefore held that it was John's money that the bank paid to John, and not Pat's. It was John's as long as he lived and kept it in this form, but dying before Pat, it would become Pat's, but Pat dying before John, it was John's now, as it was before, and a tentative trust only had been established.

ANOTHER LEADING CASE.

All that has been noted in this discussion leads up to the Matter of Totten, 179 N. Y., 112, decided August 5, 1904, and quite opposite to its famous predecessor, Martin vs. Funk, and contains the most equitable ruling on this question that we have noted. The main facts are similar to the other cases. Here the depositor had several books in various savings banks, in fact she seemed to be one of those savings bank "fiends," and at one time had thirty-one accounts scattered around. She treated the money precisely as her own, depositing, withdrawing, closing and opening as she chose, and, dying, left several trust accounts behind her. No beneficiary ever knew of these accounts, but the administratrix was sued to recover on money so deposited and withdrawn. If an absolute trust had been created, as in the instances above noted, there would doubtless have been a grievous miscarriage of justice, but the court took a broad and liberal view, duly considering the circumstances and customs of the trustee, and laid down the comprehensive rule which caused the savings bank fraternity to breathe a sigh of relief, to wit: "A deposit by one person of his own money, in his own name as trustee for another, standing alone, does not establish an irrevocable trust during the lifetime of the depositor. It is a tentative trust merely, revocable at will, until the depositor dies or completes the gift in his lifetime by some unequivocal act or declaration, such as delivery of the pass book or notice to the beneficiary. In case the depositor dies before the beneficiary without revocation, or some decisive act or declaration of disaffirmance, the presumption arises that an absolute trust was created as to the balance on hand at the death of the depositor."

But what shall constitute an "unequivocal act or declaration" that the court will accept? This is answered in the negative in the most recent decision along this line, the case of Tierney vs. Fitzpatrick, rendered Dec. 6, 1907. The Totten case was sustained without comment, but inasmuch as the trustee had made several declarations, it will be of interest to note how these were viewed by the court.

Shortly after opening the account, the father handed the pass book to the son, in the presence of the latter's wife, remarking, "Here, Frank, is the book. I have started an account for you in the bank, so if anything happens to me you will have something to fall back upon, knowing you have the rheumatism." The book was then placed in a safe in the son's home, where both had access to it. The father took the book, making deposits as occasion demanded, replacing it when this was done, but subsequently withdrew the entire amount.

Another witness testified that the father had said to him that "he had placed money in the bank for Frank," and exhibited the book. To another he had said that "he had fixed Frank, so that in case of his death, he would be perfectly independent, etc." After the death of the father, the son sued the executrix to recover the amount so deposited and withdrawn, and it would seem to have been a case bordering closely upon an absolute trust.

The court took the position that these statements merely indicated the intent of the depositor that the beneficiary should have the money *after his death,* and in no case did the words indicate the intent to give the son any interest in the present. "In our view," said the court, "to establish the unequivocal act or declaration, referred to by the Court of Appeals, to transfer a tenta-

tive trust into an irrevocable, there must be something more than a declaration that the beneficiary shall have the property *after the death of the depositor.* Such a declaration by its very terms negatives the idea that any present interest in the deposit is to pass to the *cestui que trust* during the depositor's life, and is entirely consistent with a reservation by the depositor of the right to deal with the fund during his life."

In full accord, therefore, with these rulings, and common sense and justice, withal, the banking law of New York State reads, "When any deposit shall be made by any person in trust for another, and no other or further notice of the existence and terms of a legal and valid trust shall have been given in writing to the bank, in the event of the death of the trustee, the same, or any part thereof, together with the dividends or interest thereon, may be paid to the person for whom the deposit was made." (Sec. 114.)

The savings bank would therefore seem to be justified and amply protected in accepting such accounts with the above understanding, both for the sake of the desirability of such accounts, as they are generally of permanent character, and for the sake of the depositor who wishes to thus dispose of his property without making a will, but inasmuch as the relation between the bank and the depositor is contractual. as has been held in this State, it might not be out of place to add an endorsement on all such accounts, stating the exact conditions under which such accounts are accepted. The following, as used by a metropolitan bank, would seem to be a brief and comprehensive statement of those conditions, viz.:

It is hereby stipulated and agreed, that this account, No.....is a TRUST ACCOUNT, subject to the order of the Trustee during life and at the death of the Trustee, the amount then due thereon is to belong to and paid to the beneficiary.

MASSACHUSETTS SAVINGS BANKS.

FROM the report of the committee authorized to suggest changes in the savings bank laws of Massachusetts, the following selections are made:

BANK STOCKS.

While most of the bank stocks held by the banks have proved a valuable and profitable investment, some of them have proved the reverse, and have occasioned considerable losses to the savings banks holding them, through the fact of their liability to assessment thereon. The amount invested in bank stocks is decreasing every year, and the general tendency of the banks is to dispose of this class of investment. If the committee were constructing a new law today, there is little doubt that bank stocks would not be included as an authorized investment for savings banks. Inasmuch, however, as since the passage of the first law in 1834 they have been permitted to invest in them, and as the banks are generally disposing of them, the committee do not feel disposed to recommend their discontinuance as a legal investment; but they consider the present policy of the banks a wise one, and believe that it should be followed until eventually all bank stocks are eliminated from the investments of Massachusetts savings banks, as they have already been eliminated by law from the investments of Massachusetts life insurance companies.

LOANS ON PERSONAL SECURITY.

From the earliest records of the banking department it is evident that loans on personal security have always been one of the principal assets of Massachusetts savings banks.

The loans on personal security must,

by law, mature within a year from the date they are made. They are therefore the only asset which is able to take advantage promptly of a period of high interest rates. No data exist to show, over a period of years, the comparative income-producing value of loans on real estate and loans on personal security; but it is probable that the latter, after allowing for the tax, produce nearly as large a rate of income as the former. They certainly produce a much higher rate of income than public funds and railroad bonds.

These loans are also most valuable to the banks, as constituting a secondary reserve to supplement their cash. By arranging to have their loans on personal security mature at successive intervals throughout the year, the banks virtually have a large available fund from which, if necessary, depositors may be paid or other forms of investment made without their being obliged to sell their public funds or railroad bonds. In this way they may with safety keep a smaller proportion of their funds in cash than is the case with banks in States where fewer loans on personal security are made; the amount of cash carried by the savings banks of Massachusetts being about two per cent., and elsewhere about five per cent., of the total funds.

The great value of these loans to the savings banks as a form of reserve was very forcibly demonstrated last autumn, when deposits were being withdrawn from them in large volume. Mortgages, of slow convertibility at any time, were then of little avail, and bonds could be sold only at a sacrifice; but maturing loans on personal security furnished a large amount of ready cash, without which many more banks would have been obliged to require notice of withdrawal from their depositors.

On account of their ready convertibility and their short duration, these loans give an element of elasticity to the investments of the savings banks which is very desirable. In times of unusually heavy deposits loans on personal security may without difficulty be largely increased, while in times of heavy withdrawals they are apt to be decreased accordingly.

PROGRESS OF TRUSTEE SAVINGS BANKS IN GREAT BRITAIN.

T. H. B. RORIE, C.A., one of the Inspectors in Scotland for the Trustee Savings Bank Inspection Committee, gives the following account of the progress of the British savings banks, in a recent number of "The Accountants' Magazine" (Edinburgh):

The Parliamentary Blue Book of Returns from the Trustee Savings Banks in England and Wales, Scotland, Ireland and the Channel Islands for the year 1906 has been issued, and, as usual, contains a mass of very interesting information relating to these invaluable institutions.

The total number of savings banks under the management of trustees is given at 224 for a population (1901) of 41,547,894, with an aggregate of £53,009,298, 7s. 6d. owing to depositors on 1,759,228 separate accounts, on which an average rate of interest of £2, 9s. 11d. per cent. has been paid.

Fifteen hundred and fifty-seven officers are employed, including auditors and treasurers, whereof 235 are unpaid. The amount of security given by these officers is £658,835, and the total salaries and allowances received by them £118,614, 19s. 8d.

Notwithstanding these large figures, the banks are conducted at a total cost, including all such salaries, etc., of only £149,834, 4s. 3d., being an average sum of 5s. 6d. per cent. on the capital of the banks, or 6 6-10d. for each transaction.

The total number of deposits made by 1,759,228 depositors is 3,545,870, who on an average have paid in £3, 15s. 1d. and withdrawn £7 6s. 11d. during the past year, and hold an average balance of £36, 2s. 8d. at November 20, 1906.

The total assets, stated at £54,343,878,

18s. 5d., with the exception of £365,754, 15s. 8d. of cash in hand and in joint-stock banks, and £624,674, 10s. 9d., the estimated value of premises, furniture, etc., are all invested with the Commissioners for the Reduction of the National Debt, who hold for safe custody no less than £53,353,450 of savings, on which they allow 2.75 per cent. The difference between this rate and the rate allowed to depositors, viz., 2.497, is the profit made by the banks out of which the expenses of management have to be met—*i. e.*, 5s. 1d. per cent.: it is observed that the sum due by the National Debt Commissioners is £344,151 more than the total liability to depositors, which shows how profitably these banks have been conducted.

In addition to receiving deposits, Government stock and life annuities are obtained for depositors for a trifling commission. The total amount of these purchases for depositors on November 20, 1906 was £2,-369,009 stock and 11,658 annuities, amounting to £264,412, of which England and Wales hold £1,950,700 stock and 8635 annuities (£188,334), and Scotland £288,716 stock and 2261 annuities (£67,345). Of the balance, Ireland has £94,626 stock and 272 annuities (£6,222), while £36,366 stock and 90 annuities (£2,510) belong to other islands in the British seas.

The practice of thrift and the economy in working trustee savings banks in our country is well brought out in this publication. With a population of only 4,472,-000 Scotland possesses 60 banks, owing £18,461,570 to depositors, or £4, 2s. 5d. per head on 551,067 accounts, and paying interest at the rate of £2, 10s. per cent., with a ratio of 4s. 10d. per cent. of expenses of management to capital, and a cost of only 5d. per transaction; compared with England and Wales having a population of 32,526,075, with 150 banks liable for only £31,378,198, or 19s. 3d. per head in respect of 1,127,750 accounts, paying interest at £2, 9s. 11d. per cent., the management of which runs to 5s. 10d. per cent. on capital, and 7 2-10d. per transaction.

Ireland's 12 banks for 4,456,546 people have a liability of £2,525,336 on 54,632 accounts, and pay £2, 9s. 3d. per cent. of interest. They are run at a cost of 6s. 2d. per cent. on capital, and 1s. 0 4-10d. per transaction. There are only two banks in the Channel Islands.

It is interesting to note that the cost per transaction is less than the previous year by about 2-10d. for each country: while five years ago it cost England nearly 1d. per transaction more, the rate in Scotland and Ireland has remained about the same.

The amount due to depositors in England has decreased £786 since 1905, while in Scotland an increase of £248,672 has been recorded, notwithstanding the large emigration from the latter country to Canada, and the higher rate of interest now to be got elsewhere for small sums, which facts have seriously affected many banks in Scotland. The fact that Scotland is the stronghold of the Trustee Savings Bank is exemplified when we compare the figures for 1906 with those of 1902, and find an *increase* of sums due to depositors during the past four years of £1,002,905 for Scotland, and a *decrease* for England of £587,012.

The most successful banks in England are carried on at Exeter, throughout Lancashire, Finsbury and Middlesex street in London, Newcastle-on-Tyne, Nottingham, Kingston-on-Hull, and at Sheffield; Liverpool and Manchester heading the list with each over £3,000,000 due to depositors. In Scotland, Glasgow holds £7,877,556 for depositors, more than double any other bank in Great Britain, with Edinburgh, Dundee and Aberdeen following with £3,152,225, £1,586,658, and £1,224,898 respectively. Belfast has the place of honor in Ireland, with £778,345 due to depositors, and Guernsey and Jersey with one bank each make no mean show with £250,608 and £393,-529 respectively.

The names of all officers, with their respective salaries and other allowances, are also given in the returns, together with the amount of security which each has to provide owing to the responsible nature of his duties, and a statement of the number of hours during which banks are open for business. A record is also shown of the trustee savings banks which have been closed and have transferred their funds to post office savings banks since 1864, in which we note 364 were situated in England, 23 in Wales, 13 in Scotland, and 43 in Ireland.

It must be borne in mind that the above statistics do not include the sums held by trustee savings banks for depositors in special investment departments, and the large deposits in post office savings banks.

NEW COUNTERFEIT $10 UNITED STATES NOTE (BUFFALO).

SERIES of 1901; check letter "D"; J. W. Lyons, Register of the Treasury; Ellis H. Roberts, Treasurer of the United States.

THE ALDRICH CURRENCY BILL.

An argument delivered before the Banking and Currency Committee of the House of Representatives of the United States, April 13, 1908, by Elmer H. Youngman, Editor of The Bankers Magazine, in opposition to Senate Bill No. 3023 entitled "An Act to Amend the National Banking Laws."

SENATE BILL 3023, entitled "An act to amend the national banking laws," and commonly known as the Aldrich Bill, is apparently intended to provide for the issue of an emergency currency.

The meaning of the word "emergency," as used in this connection, is somewhat elastic. It can hardly be held that the furnishing of extra supplies of money to move the crops is an "emergency," calling for the issue of bank notes of a special character.. On the contrary, to provide the means for harvesting and marketing the crops is the most natural and the most legitimate function a bank can perform. Although it may call for a temporary increase of currency—or rather for a change in the form of bank credits from those representing checking accounts to something that will pass from hand to hand as money—if the banks were permitted a reasonable freedom in the use of their credit they would meet this demand promptly and efficiently.

Real Emergencies.

An "emergency," however, may signify the conditions created by a great calamity, such as the fires at Chicago, Boston and Baltimore, the flood at Galveston, or the earthquake and fire at San Francisco. Yet these real and serious emergencies were met without resort to any such doubtful expedient as this bill proposes. The people, the banks — all interests and all classes — stood together as a unit, and by co-operation—the only sure reliance at such times—saved the day.

Then there is another kind of emergency arising out of panics such as we experienced in 1893 and again in 1907. Whatever may be the cause of panics, they are, in this country, almost invariably marked by a run on some large bank or trust company, resulting in its suspension, followed by a more or less general demand on the banks for cash. This demand comes in part from frightened depositors, who may wish to withdraw money and hoard it until normal conditions are restored. There are further demands for cash made upon their correspondents by banks in anticipation of heavy withdrawals of deposits. The machinery of exchange gets out of order, and unusual amounts of money are required to transact the country's business.

Phases of Panics.

There are thus two phases of a panic demanding attention:

First.—A distrust of the banks.

Second. — Extraordinary demands for cash.

This bill, in my opinion, contains nothing calculated to remove that distrust of banks which arises in times of panic, and which constitutes one of the most serious features of every financial crisis.

A Costly Device.

The bill does attempt to provide for meeting the extraordinary demands for cash that occur during a panic. But the way in which this is done appears clumsy and unnecessarily costly.

In the first place, a bank to be in a position to avail itself of this provision must either invest a considerable portion of its resources in state or municipal bonds, or it must borrow these securities. Should it buy them, it will be locking up its capital in fixed in-

vestments. And while the banks already hold securities of this class, to a limited extent, any law that offers an inducement for commercial banks to buy more bonds, of any character, is wrong in principle. Bank deposits are either payable on demand or at short notice, and it is necessary that the resources of the banks should consist of short-time paper. The whole art of banking has been declared to lie in the ability to distinguish between a mortgage and a bill of exchange. The bill under consideration loses sight of this important distinction, and invites the banks to lock up their capital in bonds; or, in other words, in mortgages.

The notes provided for in the bill are unnecessarily costly. First, the bonds to be used as security can be bought, as a rule, only at a premium, while the notes that may be issued against them are limited to ninety per cent. of the market value of the bonds, and are in no case to exceed the par value of the latter. The tax on the circulation secured by other than United States bonds, running from 6 to 9 per cent. per annum, will also be a serious addition to the cost of the emergency notes.

Should the banks borrow the bonds, instead of buying them, they would have to pay for the temporary use of the bonds.

Forestalling a Panic.

The issue of an emergency currency proceeds on the theory that the way to relieve a panic is for the banks to increase their debts. And this bill authorizes an increase of the note circulation to the extent of $500,000,000.

To me it seems that the more economical and effective way to forestall a panic would be to permit the banks to change their deposit credits into bank notes. This would not entail any increase in the debts of the banks, but would be merely a change in their form, and the notes would be protected by the same reserves that supported the deposits. If to this were added a small safety fund, set aside out of the present tax on circulation, the safety of the notes in the hands of the people would be absolute. In this way all the expense of issuing notes as provided for in this bill would be avoided. And, of course, it is realized that this expense must be borne by the commercial community.

Too Much Power Given the Secretary of the Treasury.

In Section one, line thirteen, it is provided that the granting of applications for the issue of the emergency currency shall rest in the discretion of the Secretary of the Treasury. "The Comptroller of the Currency shall transmit immediately the application, with his recommendation, to the Secretary of the Treasury, who shall, if in his judgment business conditions in the locality demand additional circulation, approve the same, and shall determine the time of issue and fix the amount," etc.

No Secretary of the Treasury—not even Hamilton, Gallatin or McCulloch—could possibly exercise this discretion wisely. James A. Garfield once truly declared: "There never did exist on this earth a body of men wise enough to determine by any arbitrary rule how much currency is needed for the business of a great country."

Yet the bill under consideration would confer this tremendous power upon one man—the Secretary of the Treasury.

This knowledge of local business conditions can be had only by the local banker, and it is obtained by dealing face to face every day with the men who make up the business community. Nor can it possibly be obtained in any other way.

Business Men Know Their Own Needs.

The business men themselves—farmers, merchants, manufacturers, etc.—are the best judges of the need of more currency. Their needs in this respect will naturally be expressed through

the banks, just as their need for meat will be expressed through the butcher-shops. There are two tests to be applied to the issue of bank notes; namely, is the security offered adequate, and does the bank hold a sufficient reserve to protect its notes?

By making the Secretary of the Treasury the sole judge of the necessity of issuing emergency currency, this bill confers upon one man the authority to regulate the issue of $500,-000,000 of paper currency. That is a power too great to be entrusted to any individual. No man in this country, not even the wisest, is competent to assume so great a task. Think of it! The entire business interests of the country dependent upon the will of the Secretary of the Treasury.

I am too good an American to believe that any man who has held that great office has been corruptly influenced. But it is conceivable that a Secretary inexperienced in financial affairs might be hypnotized by powerful financiers and defer to their opinions.

The true policy would be to adopt some simple means insuring safety of the bank notes, and guarding against inflation, and then let the people themselves regulate their supply of bank currency. They can do it much better than the Secretary of the Treasury or anybody else.

Nor is there anything profound or mysterious in the operation. A farmer desiring money to pay his harvest hands, goes to a bank and procures a loan, taking the bank's notes in exchange for his own note. For the latter the bank has given the farmer something that will circulate as money, and the discount charged on the note is virtually the premium the farmer pays for having his own credit insured. The bank takes care that the maker of the note is solvent, and sets aside the required reserve to support the notes it has issued. It is the business of the Government to see that the notes are always safe and that there is no inflation.

A small part of the present tax on circulation, set aside to redeem the notes of insolvent banks, would assure the goodness of the notes, without any bond security whatever; and a proper system of redemption and provision for an adequate reserve would effectively prevent inflation.

The attempt which this bill makes to secure an equitable distribution of the proposed emergency notes is arbitrary, and also leaves too much to the discretion of the Secretary of the Treasury.

Paves the Way to Inflation.

At present the circulation of the national banks is limited to the amount of their paid-in capital. This limit is removed by the bill under discussion, and the banks are allowed to issue notes to the extent of their capital and surplus. The capital of the national banks on February 14, 1908, was $905,000,000, and their surplus $554,000,000.

In the past ten years the circulation of the national banks has increased from about $200,000,000 to over $600,-000,000. This bill makes possible another addition of $500,000,000, bringing the total up to over $1,000,000,000.

All this to be done without adding a single dollar to the coin reserves of the banks.

The issue of such an enormous volume of paper currency, not based upon gold, will of itself tend to engender conditions favorable to panics. Instead of preventing a financial crisis, this bill will help to create one.

Bond Security Wrong in Principle.

Section 2 provides for the acceptance of State and municipal bonds as security for the additional circulating notes.

The issue of a bond-secured bank circulation can be defended only on the ground that it enables the Government to borrow at a lower rate of interest than would otherwise be the case. But it is not the business of the Government to enhance the price of securities other than its own.

A High Tax on Business.

Section 4 fixes the tax to be paid on the additional circulation. This tax is so high that it will make the notes of no use to commercial borrowers, who rarely have to pay more than 6 per cent., but may make them of service to stock speculators, who sometimes pay from 10 to 100 per cent.

Redemption and Reserves.

Section 7 of the bill makes the bank notes redeemable in lawful money. This may mean silver dollars or legal-tender notes. In my judgment, credit obligations of the banks, circulating as money, ought to be redeemed in gold.

Section 8 of the bill slightly increases the proportion of reserves which a bank must keep in its own vaults. But whatever advantages might be gained from such a provision are wholly destroyed by permitting one-third of the reserves kept in the banks' vaults to be in the form of securities enumerated in Section 2 of the bill.

If banks held their reserves in securities of any kind, they would, in times of financial pressure, be compelled to market these securities to obtain cash. And the result would be that the securities could be sold only at a sacrifice, if at all.

Properly speaking, the only reserve of a bank which can be depended upon at all times and under all circumstances is the cash held in its own vaults.

I believe that gold coin, kept actually in the possession of a bank, constitutes the safest basis for the expansion of bank credits, whether in the form of deposits or notes.

Beginning at line 13 of Section 8, provision is made for exempting deposits of public moneys of the United States in designated depositaries from the reserve requirements of the National Banking Act. When a ruling was made by a former Secretary of the Treasury of a like effect, the banks of New York refused to be governed by it on the ground that such a practice would be unsafe.

Section 9 gives the Secretary of the Treasury absolute power in regulating the operations of the act, although the Comptroller of the Currency, from the nature of his office, would seem to be in a better position to judge of the condition of the banks. As the Comptroller's Bureau is by law under the general direction of the Secretary of the Treasury already, the necessity for this section is not apparent.

Government Deposits.

Section 10 provides that national banks designated as public depositaries shall pay upon all sums of public money deposited with them interest at a rate to be prescribed by the Secretary of the Treasury, but not less than one per cent. per annum.

It is hardly the business of the Government to collect money from the people and lend it to the banks. A large part of the public funds now on deposit with the banks was borrowed at 2 per cent. To lend it to the banks at one per cent. would not be a good business transaction from the public standpoint.

The bill continues the present requirements as to the security for public deposits in the banks.

I believe it would be better if the Treasury would deposit its surplus funds from day to day, as received, in banks in such parts of the country as would suit the public convenience, exacting no interest for these deposits, and checking against them just as business men do. Nor is it necessary that an equal amount of bonds be lodged with the Treasury to secure deposits. But the Secretary could require satisfactory security in the form of a surety bond, or otherwise.

If interest is to be paid by the banks for Government deposits, the rate should be fixed at not less than 2 per cent., the present practice of the Treasury in requiring the deposit of an equal amount of bonds as security should be abolished, and a safety fund created out of the interest received to pay any

losses through the failure of depositary banks.

Unwise Interference with the Banks.

Section 11 provides that no national banking association shall invest any part of its funds or deposits in the stocks or other securities of any corporation or association, any of the officers or directors of which are officers or directors of such banking association.

I am not unmindful of the evil which this section seeks to remedy. But its provisions appear too sweeping. As a rule, the purchase of stocks and securities by commercial banks is not desirable. But undoubtedly there are times when it may be advantageous to a bank to invest a portion of its funds in high-grade bonds. If this bill should become a law, with Section 11 unchanged, it would either deprive the banks of the opportunity of making such investments, in many cases, or it would cause the officers of the corporations to resign from their banking connections, thus depriving the banks of the service of some of the ablest business men in the country.

As cities and states are corporations, probably no bank whose officers or directors held any public office could invest in the bonds prescribed in the bill as security for additional bank circulation.

Speculation Encouraged.

This bill makes no serious attempt to remedy the admitted defects of our banking and currency system. It virtually says to the boomer and speculator, "Go ahead and get drunk financially; here is a practically unlimited supply of stimulants in the shape of paper money."

The high rates for money usually prevailing in the fall, however objectionable they may be, impose a restraint on stock speculation. This restraint will be removed should the bill before you become a law. For speculators could afford to pay the high tax on the circulation, which would still afford them a practically unlimited supply of funds and at lower rates than they now obtain them.

Let no one imagine that the emergency currency provided in this bill is analogous to that issued by the Imperial Bank of Germany. The German bank notes are secured, invariably, by one-third cash and two-thirds short-term commercial paper.

A Flood of Paper "Money."

Will the possibility of adding $500,000,000 of bank paper to the present total of $600,000,000, none of which is based upon coin reserves, strengthen our position or weaken it? Inflation of credit, in the opinion of many, is one of the primary causes of a panic. Is more inflation the proper remedy? A flood of additional paper money, representing that much more liability on the part of the banks, may conceivably add to distrust instead of checking it.

Against the South and West.

This measure is directly antagonistic to the interests of the South and West—sections where there is supposed to be an especial need for additional supplies of bank notes at certain seasons of the year. The banks of these sections hold but a comparatively small amount of the bonds which the bill permits to be employed as a basis of the increased circulation. Moreover, if the banks should buy such bonds as a preliminary to issuing notes, it would not only fail to afford their communities any relief, but would actually aggravate the local distress. A bank would have to buy $100,000 worth of bonds in order to issue $90,000 in notes. Thus, instead of adding to the volume of currency in its own locality, a bank taking out circulation under the Aldrich Bill, if it must first buy the bonds, would actually reduce it. On the other hand, if the bank owned the bonds, and hypothecated them for notes, it would be taking that much from the funds held to secure the payment of its deposits,

and pledging the securities for other additional liabilities.

Commercial Paper the Best Security.

Commercial paper—that is, drafts drawn against products on their way from the producer to the consumer, or the promissory notes of farmers, manufacturers, merchants and others—is the true form of security for a bank circulation. Under proper regulations there is no good reason why a bank should not exchange its circulating notes for such security. It is the only form of security which is universal, and the producers of cotton and grain would be especially benefited by making their notes available as a basis of bank-note circulation. As to the safety of such a note circulation, if based upon a further security of a gold reserve of 25 per cent., and with a proper system of redemption, there can be no question. The report of the Comptroller of the Currency for 1906 shows that since the beginning of the national banking system the national banks which have been placed in the hands of receivers had issued a total circulation of $27,628,108. During the existence of the national banks they have paid in taxes on circulation, $98,730,906. So that if this tax had been applied to the payment of notes of failed banks—a very proper use for it—there would have been a surplus, after paying all the notes of failed banks, amounting to $71,102,798. This is on the assumption that the notes of the failed banks had been secured only by the tax. As a matter of fact, however, the national banks that have failed have paid 75 per cent., or over, of the claims against them, so that the amount of notes to be paid out of the fund derived from the tax on circulation, if there had been no bond security, would be reduced to $6,907,027, and the surplus left over after paying these notes out of the fund mentioned would be increased to $91,823,879.

In the late panic the Loan Committee of the New York Clearing-House Association accepted as collateral security for loan certificates, stocks, securities and commercial paper of an aggregate value of $453,000,000. Of this amount $330,000,000, or 72.92 per cent., was commercial paper. Not a dollar was lost. Not a single merchant whose paper was accepted defaulted. If bonds are the most desirable form of security, the fact seems to have escaped the observation of the New York Clearing-House Association, composed of some of the ablest bankers in the country.

In dealing with panics I believe in hygiene rather than in medicine. But at all events the proper cure is not to be found in a resort to the printing-press. A flood of bank notes is not the proper remedy.

Farmers Checked the Panic.

The panic of last October was not broken by the issue of "shinplasters," but by the importation of gold. When the toppling credit structure was re-enforced by the solid foundation of $100,000,000 of gold brought in from abroad, confidence was restored. And in this connection I wish to say that, in my judgment, it was not Mr. Morgan or Mr. Rockefeller, nor the bankers of the country, who were chiefly instrumental in restoring confidence, though I should not wish to take anything from the credit justly belonging to them. But in the final analysis we find that the situation was saved by the American farmer whose products, rapidly moved forward to the world's markets, afforded the basis for importing the $100,000,000 of gold that gave a solid basis for our weakened credit structure, and thus restored confidence.

Bill in the Interest of Bond Syndicates and Speculators.

Gentlemen, I have scanned this bill attentively. I find in it some provision for benefiting the syndicates that may have municipal bonds to sell. I find a provision for the issue of bank currency that may be of help to the Wall Street

speculator. But the most diligent study of this bill fails to reveal a line or a syllable that will be of the slightest benefit to the farmer, the merchant or the manufacturer. The bond broker and the stock speculator seem to have been taken care of and the producers and the commercial classes completely ignored.

This bill is fundamentally unscientific and unsound. Should it become a law it will be a direct incentive to speculation, extravagance and the undue extension of enterprise. It does not squarely meet the issues of the time, but evades them.

Compromise is sometimes unavoidable. But it presupposes a sound basis to work from, and no such basis exists in this bill. It is from beginning to end hopelessly wrong, and no amount of tinkering can make it right.

Basis for Currency Legislation.

I shall not presume to offer this committee a substitute for the bill under consideration, but content myself with the following suggestions as affording a basis of whatever legislation may be finally adopted:

First.—The safety of our banks should be increased, either by more efficient supervision or otherwise.

Second.—The Secretary of the Treasury should be prohibited from attempting to regulate the money market.

Third.—The issue of bank notes based upon bonds should be stopped, and, under proper safeguards, the banks should be allowed to issue their notes based upon gold coin and commercial paper.

Fourth.—The bank reserves should be strengthened.

For dealing with great financial emergencies, I doubt if any more effective machinery can be devised than the clearing-house associations of the country. It might be wise, however, to regulate their operations to some extent and to legalize expedients which have been found serviceable.

Finally, if our country is to hold its own in the contest for the world's trade, we must take care that our banking and currency systems are made thoroughly efficient. Nothing but the best will suffice. This bill offers no hope of improvement. It perpetuates a mistaken principle, and introduces new and dangerous elements into our currency. In my opinion it will tend to engender the conditions that lead to panics, and will be wholly useless as a remedy.

NEW COUNTERFEIT $5 SILVER CERTIFICATE (INDIAN HEAD).

SERIES 1899; check letter C; plate number 790; J. W. Lyons, Register of the Treasury; Chas. H. Treat, Treasurer of the United States.

A poorly executed photo-mechanical production printed on two pieces of paper between which silk threads have been distributed.

The seal, Treasury number, and large numeral are good, both as to color and workmanship. The Indian portrait is very poor as is the lathe work on the face of note, the lines being broken and disconnected.

The color of the back approximates closely that of the genuine, but very little attempt has been made to imitate the fine lines of the lathe and scroll work.

OBJECTIONS TO BANK DEPOSIT INSURANCE.

UNDER this title, in a recent number of the "American Review of Reviews," Professor David Kinley says:

> Such a scheme would not prevent "runs." When people are seized with the fear that they cannot get the money to their credit in banks, what they are usually afraid of is not that they cannot ultimately get it, but that they cannot get it immediately, or at command. This fear will not be removed by the knowledge that they can finally get one-fourth or one-third of it, according to the proportion of the safety fund. Under an insurance scheme, therefore, they will insist, as they do now, on drawing out their funds when a scare comes.

BANKING AND COMMERCIAL LAW

Conducted by John J. Crawford, Esq.,
Author Uniform Negotiable Instruments Act.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States courts and State courts of last resort will be found in the Magazine's Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

APPOINTMENT OF RECEIVER—NECESSITY OF NOTICE—CONTRACT WITH OTHER BANK FOR PAYMENT OF DEPOSITORS.

PEOPLE vs. ORIENTAL BANK.

NEW YORK SUPREME COURT, APPELLATE DIVISION, FIRST DEPARTMENT, MARCH 17, 1908.

Upon the application of the Attorney General for the appointment of a receiver for a bank, notice should be given to the bank, and should not be dispensed with by the court, unless upon proven facts showing a necessity for instant action to prevent some impending wrong.

Before the court is justified in appointing a receiver, the facts upon which such relief is applied for must be proved by competent legal evidence, and this requirement is not met by a verified complaint alone, especially where the allegations of the complaint are upon information and belief.

Closing of the banking house and calling upon the superintendent of banks to take charge of its assets may be deemed acts of insolvency, but are not conclusive.

Nor do such acts amount to a surrender of the corporate franchises of the bank.

Where a bank which has closed its doors. but is not insolvent, has in good faith, made a contract with a responsible financial institution to pay the claim of its creditors forthwith, there is no necessity for the appointment of a receiver.

THIS was an action by the people to dissolve the Oriental Bank of New York on the ground that it was insolvent and unsafe, and inexpedient for it to continue doing business, and that it was unable so to do. From an order vacating an order appointing temporary receivers, the people appealed. Affirmed.

Houghton, *J.:* The defendant is a domestic moneyed corporation, organized for the purpose of conducting a banking business. On the 31st day of January, 1908, a resolution was passed by its board of directors, closing its doors and requesting the State Superintendent of Banks to take charge of its affairs. That official complied with the request, and on the 4th day of February following advised the Attorney-General of the state that the defendant had suspended payment, and that he had taken possession of its assets at its request, and formally reported to him that it was unsafe and inexpedient at that time for the defendant to continue business. Examiners from the Banking Department were directed by the Superintendent to examine as to the assets and liabilities of the defendant, and they found and reported that, exclusive of liability on its capital stock of $750,000, the defendant had, on the

day the Superintendent took possession, a surplus of $1,233,636.34. Certified public accountants were also employed, and they found the surplus to be, after making such deductions as they considered proper, $1,498,432.17. Since these reports were made, it appears the liability of defendant upon clearing house certificates has been reduced by nearly $600,000.

These examinations having shown the solvency of defendant, negotiations were entered into by authority of defendant's board of directors with the Metropolitan Trust Company for the loan of a sufficient sum of money to pay all depositors and creditors of the defendant. These negotiations resulted in an agreement on the part of the trust company, the details of which we do not deem material, to advance sufficient money for that purpose. The Superintendent of Banks gave his approval to this arrangement, subject, however, to acquiescence on the part of the Attorney-General. That official was apprised of what the condition of the bank had been found to be, and of the arrangement that had been made to pay its debts, and of the approval of the Superintendent of Banks, and was asked to signify his approval thereof. Instead of giving his approval or signifying his disapproval, or doing anything except to say that he would take the matter up with the Superintendent of Banks at his earliest opportunity, which he does not appear to have done, he instituted this action to dissolve the defendant on the ground that it was insolvent, and that it was unsafe and inexpedient for it to continue doing business, and that it was unable so to do. The complaint was verified on February 28 by the Attorney-General himself, and on that day, upon the complaint alone, without any supporting affidavit, he applied to the court ex parte for the appointment of temporary receivers. An order was made appointing the Carnegie Trust Company and Henry Schneider such receivers. The order recites that sufficient reason appeared for dispensing with notice of the application, and contained an order to show cause on March 24, 1908, why the receivers should not be made permanent, together with the ordinary restraining provision meanwhile. On the following day, on the application of the defendant, in which more than ninety per cent. of the depositors and more than seventy per cent. of the stockholders of the defendant joined, the same judge who granted the order appointing the receivers made an order requiring the Attorney-General and the receivers to show cause why the order appointing them should not be set aside. On the return of this order to show cause, the order appointing the temporary receivers was vacated, and the plaintiff appeals.

The appointment of receivers of moneyed corporations is regulated by chapter 60, p. 113, of the Laws of 1902, which provides that the court may, in a case provided by law, appoint a receiver of such corporation, and may, in its discretion, dispense with notice of the application. The complaint, upon which alone the application was made, showed that the defendant's assets were in the hands of the Superintendent of Banks, voluntarily placed there by the defendant itself. The Attorney-General should have given the defendant notice of his application for the appointment of the temporary receivers. Unless there be some emergency requiring immediate action, the law contemplates the giving of notice of an application for the appointment of receivers. The court to which application may be made is given discretion to dispense with notice, but that discretion must be based on some proven facts presented to it showing necessity for instant action to prevent some impending wrong. Conclusions are not enough; and, if such proven facts are not presented, notice should not be dispensed with, but should be required. In the present case, instead of there being any proof authorizing the dispensing with notice, the only proof before the court was that contained in the complaint itself, which showed that the funds of the defendant were in the

hands of the Superintendent of Banks, the state official authorized by law to hold them.

The court having been led into improperly dispensing with notice of appointment of the temporary receivers, it was very proper for the judge who granted the original order to grant an order to show cause, and thus give the defendant an opportunity to be heard to set aside the order which he had improvidently granted without notice. The effect of this order to show cause was not to review the former order, but rather to grant a hearing on the propriety of appointing receivers at all, and to advance the hearing on the original order to show cause appointed for March 24th to an earlier date. Treating the procedure in this manner, as it is proper we should, it is manifest that on the hearing the defendant was shown to be perfectly solvent, and that receivers ought not to have been appointed, and that the order vacating their appointment was proper.

The report of the bank examiners showed a surplus over debts of nearly $1,250,000, and that of the public accountants of nearly $1,500,000. The liability of the defendant to its stockholders on its $750,000 of capital stock is of no concern to the people. The Attorney-General is not the guardian of investors against their will. Paternal government in this state has not yet gone to the extent of regulating in what its citizens shall invest their money. It is primarily the creditors of an insolvent corporation with which the state is concerned. It is hardly probable that the assets of the defendant, cut down as they have been, will further shrink sufficiently to wipe out the large surplus shown so that the creditors of the defendant will not obtain their money in full.

The complaint alleges that from reports made by the Superintendent of Banks to the Attorney General, he believes the defendant will be unable to pay its depositors and other creditors. The only report disclosed by the record is one which shows the large surplus referred to. The Attorney General has received no report of the Superintendent of Banks that the defendant is actually insolvent, so far as appears, but only that it was at the time of making it unsafe and inexpedient for the defendant to continue business. If the Attorney General has any report from the Superintendent of Banks as to defendant's insolvency, which is quite improbable, he should have presented it by affidavit or alleged its substance in the complaint.

It is true that the law provides that the Superintendent of Banks shall inform the Attorney General with respect to the financial condition of moneyed corporations. The report, however, even of the Superintendent of Banks is not conclusive as to insolvency, any more than the conclusion on that subject of the Attorney General himself. "The report of the Superintendent (of Banks) to the Attorney General in regard to the defendant's transactions may have been quite sufficient to justify the Attorney General in bringing the action; but the report in and of itself was not sufficient for a cause of action. Neither the opinion of the Superintendent nor of the Attorney General that it is unsafe or inexpedient to allow a bank * * * to transact business is a sufficient basis for a judgment dissolving a corporation and distributing its assets through the medium of a receiver or otherwise. * * * A mere statement that the Superintendent is of the opinion that it would be unsafe and inexpedient for the defendant to transact business any longer, and that the Attorney General concurs with him, does not constitute a cause of action." People v. Manhattan Real Estate & L. Co., 175 N. Y. 133, 137, 138, 67 N. E. 219, 220.

There is a further broad allegation in the complaint that the defendant is insolvent. The Attorney General does not allege that he himself examined as to the assets and liabilities of the defendant, so that he acquired personal knowledge of its financial condition. The whole tenor of his complaint is that

his conclusion, which he alleges as a positive fact, is based on information furnished by others. The complaint, therefore, standing alone, stated no facts upon which a judgment of insolvency could be based.

Before a court is justified in appointing a receiver, the facts upon which such relief is granted must be proved by competent legal evidence. (Platt vs. Elias, 101 App. Div. 518, 523, 91 N. Y. Supp. 1079). This requirement is not met by a verified complaint alone. although the allegations are positively made (Kieley vs. Barron & Cooke H. & P. Co., 87 App. Div. 317, 84 N. Y. Supp. 306); and especially is this true where the allegations of the complaint are upon information and belief, or such as can come only from information. (Weber vs. Wallerstein, 111 App. Div. 700, 97 N. Y. Supp. 852.)

The closing of defendant's banking house and calling upon the Superintendent of Banks to take charge of its assets may very properly be deemed acts of insolvency, but they are not conclusive acts. When it was shown, as it was, that this course was unnecessary, that the defendant was able to pay its debts and have a large surplus besides, these acts resulting, as they must, from fright or overcaution in view of the financial situation existing, or from ignorance of the solvency now disclosed. lose their probative force. Nor were such acts a surrender of defendant's corporate franchise. A surrender of corporate franchises cannot be inferred even from insolvency and suspension of business for a less period than that designated by the statute to consummate it, unless the circumstances are such as to make it appear that the corporation has not power to continue or resume its business. (United Glass Co. vs. Vary, 79 Hun, 103, 29 N. Y. Supp. 636.)

It is urged that Matter of Murray Hill Bank, 153 N. Y. 199, 47 N. E. 298, and People vs. Mercantile Co-operative Bank, 53 App. Div. 295, 65 N. Y. Supp. 766, are authority for sustaining the appointment of the receivers. In our view, these decisions are not controlling. The point involved in the first of these cases was whether proceedings taken by the Attorney General took precedence over a proceeding for voluntary dissolution of a concededly insolvent banking institution, and it was held that the Attorney General's right was paramount. In the latter case, it was determined upon the facts that the acts of the corporation were such that it would not longer be permitted to do business.

Concerning the proposed contract with the trust company, it is urged that it is not a binding contract on the trust company obligating it to advance the money necessary to pay defendant's creditors, and that the terms are extravagant, and that the trust company cannot in any event lend the amount of money required, because a sum is called for in excess of the amount that it is permitted to loan. We must assume from the record that the proposition of the trust company is made in good faith, and that it will carry out its agreement. There is nothing in the record to show that it has not the power to do what it has agreed to do; and it is more than probable that it can, in view of the quick assets which are immediately available for purchase or sale. If the creditors are paid, however, that is all that concerns the plaintiff at the present time. The trust company has made a plain business proposition to advance the necessary money to do this, upon what appears to be ample security.

So far, however, as concerns the approval in the order appealed from of the proposed agreement between the Oriental Bank and the Metropolitan Trust Company, it was unnecessary; as was also the direction to the Superintendent of Banks to release the assets in his hands. This latter result would naturally follow, if he shall be satisfied that the bank is solvent and will be able, under the proposed agreement if executed, to pay its creditors at once. As soon as the receivers are discharged, the management of the affairs of the bank reverts to the directors, who have

full authority to enter into any lawful arrangement for the purpose of promptly meeting its obligations; and, therefore, the order in these regards should be modified.

The order appealed from will be modified in the manner hereinbefore indicated, and, as modified, affirmed.

Patterson, P.J., and McLaughlin and Scott, JJ., concur.

PROMISSORY NOTE—COLLATERAL SECURITY — SALE OF COLLATERAL.

SMITH vs. SHIPPERS OIL CO.

SUPREME COURT OF LOUISIANA, NOV. 18, 1907.

A pledgee cannot lawfully sell the pledged property, save in satisfaction of the debt which it is intended to secure; nor can a third person, with knowledge of the facts, acquire title to such property when sold to pay another debt.

When the holder of a note, secured by the pledge of property belonging to the indorser, sells such property in satisfaction of the debt due him, and realizes sufficient for the purpose, the note is paid, the indorser becomes subrogated to the rights of the holder, and the latter cannot lawfully put the note in circulation by indorsing it, without recourse or otherwise, to the purchaser of the pledged property.

Where a note, payable on demand at the payee bank, is secured by a pledge of collaterals, which the bank is authorized to sell on the failure of the maker to respond to a call for additional security and after demand for payment, the bank has no right to sell the collaterals unless such call and demand have first been made.

Considered without reference to the stipulation concerning the call for additional security, the pledgor in a contract, reading as here below and securing a demand note payable at the bank of the payee and holder, does not waive his right to actual notice, by demand for payment or otherwise, of the intention of the pledgee to sell the pledged property:

"This note is secured by pledge of the securities mentioned on the reverse hereof, with the right to call for additional security, should the same decline, and, on failure to respond, this obligation shall be deemed to become due and payable on demand, with the full power and authority to sell * * * the whole of said property, or any part thereof, * * * at public or private sale, at the option of the bank, and without further notice."

The words "further notice," as thus used, imply actual previous notice of the demand for payment, and whilst such demand, made without the knowledge of the pledgor at the place where the note is payable, may be sufficient in some cases, it does not, in a case such as this, constitute a sufficient basis for the sale of the pledged property.

Where by a course of dealing, followed by a specific assurance to that effect, the maker of a demand note payable at the payee bank, and for the payment of which securities are pledged, is led to believe that the securities will not be sold without actual notice to him, a sale without such notice will not be sustained, either as to the pledgee or as to the alleged buyer, when it appears that the latter was fully informed of the situation.

A transaction whereby a bank, holding a demand note payable to it at its place of business and secured by pledge, indorses the note "without recourse" and delivers it, with the pledged securities, to a third person for a consideration more than sufficient to pay the note, is upon its face a sale of the note and a substitution of the purchaser in the place of the bank as the pledgee of the securities.

(Syllabus by the Court.)

THIS action involved the title to certain stock which had been deposited with a bank as collateral security, and which the bank had transferred together with the note. The points decided are stated in the official syllabus given above.

BANK'S RIGHT OF SET-OFF—PASS BOOK.

BANK OF LAWRENCEVILLE vs. ROCKMORE & CO.

SUPREME COURT OF GEORGIA, NOV. 16, 1907.

A bank has the right to set off a matured debt due to it against the deposit of its debtor. While a pass-book is evidence of the amount due to a depositor it is not conclusive evidence of that fact.

THIS action was brought by the firm of Rockmore & Co. to recover an alleged deficit from the Bank of Lawrenceville.

LUMPKIN, *J.* (omitting part of the opinion):

Complaint is made that the court refused to give in charge the following request: "If a depositor in a bank is indebted thereto in an amount in excess of the balance shown to be due on his pass book, it can refuse to pay a check on his account, and retain whatever balance is shown to be due thereon, to protect itself from loss by reason of such indebtedness. In other words, the bank could legally set off such indebtedness against the balance so due on account." This request is defective, in that it treats the pass book as being conclusive as to the state of the account. It is evidence, but not conclusive evidence. In this very case it was agreed that the pass book did not actually show the state of the account. A bank has the right to set off against the amount of a general deposit belonging to a customer a matured claim due by the customer to it. (Georgia Seed Co. vs. Talmadge & Co., 96 Ga. 254, 1 Morse, Banks and Banking [4th Ed.] secs. 324, 334.) It is not necessary to deal with the question of unmatured claims, or with deposits made by one in the name of another, but which have not ripened into complete gifts to the other for want of delivery, or as to which no title to the deposit or deposit account has passed to such other for want of notice. None of these matters are here involved. It may be also stated that Rockmore appears to have been insolvent, and the bank's claim was past due.

RIGHT TO INSPECT BOOKS OF BANK—WHEN INSPECTION WILL NOT BE ALLOWED.

PEOPLE, ex. rel., WILSON R. HUNTER vs. THE NATIONAL PARK BANK OF NEW YORK.

SUPREME COURT OF NEW YORK, APPELLATE DIVISION, FIRST DEPARTMENT, DECEMBER 6, 1907.

The granting of a writ of mandamus for the inspection of the books of a national bank rests in the sound discretion of the court, and will be denied where the application is made for some ulterior and improper purpose.

Where the facts shown justify the inference that the application is not in good faith, the court will require the applicant to show for what purpose the application is made and whether he is acting at the instigation of others.

THIS was an appeal by the National Park Bank of New York from an order granting a peremptory writ of mandamus commanding it to permit the relator to have undisturbed inspection of stock book of the bank.

INGRAHAM, *J.:* The relator in his petition makes this application under the provisions of section 29 of the Stock Corporation Law (Laws of 1890, chap. 564, as amd. by Laws of 1901, chap. 354.) That section provides that "Every stock corporation shall keep at its office * * * a book to be known as the stock-book, containing the names, alphabetically arranged, of all persons who are stockholders of the corporation, showing their places of residence, the number of shares of stock held by them respectively, the time when they respectively became the owners thereof, and the amount paid thereon. The stock-book of every such corporation shall be open daily during at least three business hours for the inspection of its stockholders and judgment creditors who may make extracts therefrom," and imposes a penalty for the neglect or refusal to comply with these provisions.

The petition upon which this proceeding was instituted alleges that the petitioner is the proprietor, holder and owner of record of four shares of the capital stock of National Park Bank, the certificate of ownership being dated February 1, 1907; that the National Park Bank is a corporation organized under the acts of Congress relating to the establishment of national banks and has its principal place of business in the city and county of New York; that on three occasions before May 6, 1907, the petitioner demanded an inspection of the stock book of defendant, with

which demand the president of the defendant corporation refused to comply. The first demand seems to have been made on February 18, 1907, and on May 6, 1907, petitioner made an absolute demand which was refused; whereupon the petitioner by notice of motion dated May 10, 1907, applied for a mandamus demanding that the defendant permit the relator to have undisturbed inspection of the stock book of the defendant during at least three business hours daily.

In answer to this application there were submitted affidavits from which it appeared that the attorney for the relator called upon the attorney for the defendant prior to January 1, 1906, stating that he wished to inspect and copy the list of stockholders of the National Park Bank; that he claimed the right to a copy of the list as a stockholder of the bank, and that his object in seeking the information was to purchase stock in the National Park Bank; that subsequently he again called on the attorney for the defendant bank, but then declined to say for what purpose he desired the list, intimating that he was not acting for himself, but declined to say for whom he was acting; that he made subsequent demands upon the attorney for the bank, but always refused to state whom he represented in applying for the information; that the relator did not become a stockholder of the bank until February 1, 1907, more than a year after his attorney's first application for leave to examine and copy the list of stockholders; that the petitioner is a clerk employed by a law firm who is engaged in collecting and adjusting claims against banks and serving papers; that he has acted in various cases as plaintiff on assigned claims brought by different firms of attorneys, and that the same attorney had acted for others who had obtained a small number of shares of stock in other national banks in making similar applications for lists of stockholders of such banks.

In the affidavit of the president of the defendant bank it appeared that in December, 1905, the present attorney for the petitioner called upon him and requested an inspection of the list of stockholders, claiming to be a stockholder, or to represent stockholders, declining to state, however, whom he represented or for what purpose he desired the list of stockholders; that the capital stock of the National Park Bank is divided into 30,000 shares of the par value of $100 each, and is held by about 800 stockholders, residing in many different states of the Union and in foreign countries; that upon his knowledge acquired as president of the defendant bank, and the nature of the stockholders of defendant bank, he believes and charges it to be the fact that the relator in this proceeding is not a bona fide stockholder of the bank, and does not desire a list of the stockholders for any proper or legitimate purpose, or for the protection of any proper or legitimate interest of any stockholder in the said bank, but seeks to obtain this list for some ulterior and improper purpose, which may and probably would be detrimental to the interests of the stockholders of the National Park Bank, and desires an opportunity to show that this inspection is not sought for a legitimate or proper purpose, but on the contrary is sought for an improper and unlawful purpose; that he, therefore, desires that a reference be ordered to inquire into the facts of the relator's good faith and for the purpose of his application and the bona fides of the ownership of the stock, and if such reference is ordered the defendant will pay the expenses thereof. There were no answering affidavits, and these allegations remain undisputed.

There is no express provision of law authorizing a mandamus to enforce the provisions of section 29 of the Stock Corporation Law; but when a stockholder of a corporation shows a legal right to an inspection of the books of the corporation he is entitled to enforce the right by mandamus. This rule, however, is subject to the qualification

that the granting of a mandamus is always in the judicial discretion of the court, and a strict legal right will not be enforced when it appears that the application is not made in good faith for a legitimate and proper object. It is sufficient in the first instance to show the existence of a clear legal right to the relief demanded; but if, in answer to the application, facts are presented to the court from which the inference can fairly be drawn that the application is not made in good faith for the protection of the applicant or of the corporation, but is made for some ulterior or improper purpose, especially when it appears that a small number of shares of stock of an important financial corporation have been acquired for the express purpose of making an application for a list of the stockholders of the corporation which is not to be used by the owners of stock making the application, but for others whose names are not disclosed and for purposes not disclosed, the burden is cast upon the party making the application to affirmatively show that he is acting in good faith, for a legitimate purpose and his own or the corporation's protection. In this case it appears that the attorney who is representing the plaintiff had for over a year prior to the time when the relator acquired his stock, made persistent demands upon the president of this corporation for a list of stockholders, refusing to state for whom he made the demand or the object for which he required this information. These demands being refused, there were then purchased four shares of stock of the defendant corporation, which were transferred to a clerk in the office of a firm of attorneys, who shortly thereafter made a demand for an inspection of the stock book as a stockholder, persistently refusing to state the purpose for which he desired the information, whether or not he was acting for others or for whom he was acting. He was accompanied in making this demand by the attorney who had insisted upon obtaining the information for undisclosed clients, and was represented by the same attorney in instituting these proceedings to enforce his right as a stockholder. These facts, I think, required from the relator a free and frank disclosure of his object in making the application, the use to which he wished to put the information that he required, whether or not he was acting on his own behalf or on behalf of others whose names were not disclosed as well as the object in seeking to obtain information to which persons who are not stockholders are not entitled.

There is no question in this case of any misuse of its corporate franchises by the defendant, and there is no fact stated which shows any necessity for the intervention of the stockholders in the management of the bank. The application is based upon the assertion of the relator's right as a stockholder to the inspection of this stock book. The assertion of the right is met by facts tending strongly to show that the application is not made in good faith by the petitioner, but that this small number of shares of stock was acquired by him for the purpose of obtaining information which had been requested some time before he purchased the stock by an attorney refusing to state the names of those he represented or the purpose for which he wished the information—a situation which, unexplained, if it did not justify a denial of the application, at least required the court to refuse it until there had been a full and frank disclosure of the persons, if any, back of this application and the purposes for which the information was desired.

The courts have always held that applications of this kind are addressed to the sound discretion of the court and should not be granted for an ulterior or improper purpose. In Matter of Steinway (159 N. Y. 250, 263) it was said that "A stockholder has the right at common law to inspect the books of his corporation at a proper time and place, and for a proper purpose, and that if this right is refused by the officers in charge a writ of mandamus

may issue, in the sound discretion of the court, with suitable safeguards to protect the interests of all concerned. It should not be issued to aid a blackmailer, nor withheld simply because the interest of the stockholder is small, but the court should proceed cautiously and discreetly according to the facts of the particular case. To the extent, however, that an absolute right is conferred by statute, nothing is left to the discretion of the court, but the writ should issue as a matter of course, although even then, doubtless, due precautions may be taken as to time and place so as to prevent interruption of business, or other serious inconvenience." And in speaking of the provisions of this section 29 of the Stock Corporation Law it is said: "The statute merely strengthened the common-law rule with reference to one part thereof, and left the remainder unaffected. It dealt with but a single book, and as to that it amplified the qualified right previously existing by making it absolute and extending it to judgment creditors. The stock book has no relation to the business carried on by a corporation and the change was doubtless made to enable stockholders to promptly learn who are entitled to vote for directors, and judgment creditors to learn who are liable as stockholders for a failure to comply with the provisions of the act." In People ex rel. Lorge vs. Consolidated National Bank (105 App. Div. 409) this court, while upholding the right of a stockholder to an inspection of the stock book and the making of extracts therefrom, said: "Doubtless the court has power to withhold an inspection for an illegitimate purpose, and may regulate the time when the inspection shall be made. But where it is sought for a legitimate purpose and the application is made during business hours, the right to such inspection is mandatory.

While the Court of Appeals in the Steinway Case (supra) speaks of the absolute right of a stockholder to an inspection of this stock book prescribed by section 29 of the Stock Corporation Law, I do not think it was intended to hold that the court had no discretion to refuse a mandamus where the application was not made in good faith but for an ulterior purpose, and to aid undisclosed persons in undisclosed schemes against a corporation. Where facts are stated which justify an inference that the application is not made in good faith for the protection or purposes of the applicant, but for the benefit of undisclosed persons for undisclosed purposes, the court has power to and should, before granting the application, require the applicant to frankly state whether or not he is acting at the instigation of others who are undisclosed, and the purpose for which the application is made. This may be accomplished by requiring the relator to submit replying affidavits or appointing a referee to take proof of the facts and report to the court.

It follows that the order appealed from should be reversed, with ten dollars cost and disbursements to the prevailing party by the final order, and the case remitted to the Special Term for further action in accordance with the views here expressed.

Patterson, P.J., McLaughlin and Scott, JJ., concurred; Houghton, J., dissented.

CREDITING DEPOSITOR WITH CHECK DRAWN ON SAME BANK—RIGHT OF BANK TO CANCEL CREDIT.

OCEAN PARK BANK vs. ROGERS, et al.

COURT OF APPEALS, SECOND DISTRICT, CALIFORNIA, OCT. 21, 1907.

Where a check on the same bank is presented for deposit to the receiving teller, and the teller enters the amount on the depositor's pass book, and stamps the check paid, and places it upon the file, this does not of itself raise the presumption that such check was received as cash, and the bank has until its close of banking hours on the day of the deposit to ascertain whether the account of the drawer will per-

mit of a transfer of the amount of the check to the account of the depositor.

In such case the bank upon ascertaining that the account of the drawer is not good for the amount of the check may, at any time before the close of banking hours on the same day, charge back the amount to the account of the depositor and return the check.

THE defendant Lora C. Rogers and one A. B. Widney each kept a general deposit account with the plaintiff, which was a corporation engaged in a general banking business at the city of Ocean Park. About July 19, 1905, and while the accounts of both were overdrawn, Widney in due course of business drew his check upon the bank for the sum of $1,000, payable to the order of Mrs. Rogers, who immediately went to the bank, and, after indorsing the check, entered the amount thereof, with the further sum of $75.35, upon a deposit slip, and with her pass book presented the same to the receiving teller of the bank, who credited her pass book with the amount of $1,075.35, stamping the check paid and returning the pass book to Rogers. Nothing was said regarding the check or deposit by either party. The custom of the bank was to post the checks received for deposit in a bank ledger in alphabetical order, and the $1,000 check was credited by the bookkeeper upon this ledger to the account of Mrs. Rogers, and it was not discovered that Widney's account was overdrawn until the bookkeeper turned to Widney's account for the purpose of charging it with the amount of the check, whereupon he referred the matter to the cashier, and the amount of the check was immediately charged back to the account of Rogers, and the check, with a printed notice, "Not sufficient funds," together with a letter to Mrs. Rogers, signed by the cashier, stating, "We charge your account $1,000," was inclosed in an envelope, duly addressed and mailed to her at the address written upon the signature card given by her to the bank, on June 10, 1905, when she opened her account. There was no delivery of mail by carrier at Ocean Park, and Mrs. Rogers did not call at the post office until July 25th, on which date she received the letter and inclosures, and then learned for the first time that the check was dishonored. From June 10, 1905, to and including July 19, 1905, exclusive of the $1,000 check, Mrs. Rogers deposited with the bank the sum of $15,179.16, and up to and including the last-mentioned date drew from the bank against her account the sum of $16,156.33, leaving her account overdrawn on that date in the sum of $1,377.17, unless credited with the amount of said check; or, if credited therewith, overdrawn in the sum of $377.17. On July 25 she deposited the sum of $400, reducing her overdraft, excluding said check, to $977.17, for which sum the bank brought suit. After the deposit of this check, and with knowledge of the fact that his account was overdrawn, the bank cashed a check drawn upon Widney's account, presented by another party, for the sum of $90. Widney made no deposits in the bank applicable to the payment of either check.

SHAW, *J.*: The sole question involved is whether or not the bank received the check without qualification as a deposit of cash to the credit of Mrs. Rogers. If it did, this fact must appear from the acts of the parties, as the record discloses nothing said upon the subject by either party to the transaction.

Upon the foregoing facts, the court found, in effect, that the acceptance of the check was equivalent to a deposit in cash to the defendant's credit, and that plaintiff assumed the payment thereof. In so finding we think the court erred. The facts in the case of National Gold Bank, etc., vs. McDonald, 51 Cal. 64, 21 Am. Rep. 697, are almost identical with those in the case under consideration. McDonald, the defendant therein, and one Barton each kept an account with the bank, both of whose accounts at the time in question were overdrawn. In the regular course of business, Barton gave his check upon the bank to McDonald, who presented the check with his pass book to the receiving teller of the bank, who en-

tered therein a credit for the amount of the deposit. About 3 o'clock of the same day (the deposit having been made at 2 o'clock), the bank returned the check to McDonald, notifying him that the same was dishonored for want of funds. McDonald refused to make good the amount of the check, claiming that it had been accepted by the bank as cash. The trial court found that McDonald presented the check for deposit as cash, that the bank so received it and entered the same in McDonald's pass book as cash, and gave judgment for him. Upon appeal, the Supreme Court reversed the case, saying: "On the motion for a new trial, one of the grounds specified and relied upon was that this finding was not justified by the evidence. It is not pretended that there was any evidence of an express agreement to the effect that the check was offered and received as a cash deposit; and the court must have reached that conclusion, as a deduction from the facts above stated. * * * We think the court erred in the deduction, and that the finding is not supported by the evidence." The fact that the amount of the check, with other sums, was entered upon a deposit slip, that the check was stamped "Paid," and impaled upon a check file, are mere memoranda adopted in aid of the convenient dispatch of business. They do not distinguish this case from the facts in Bank vs. McDonald, supra.

There was nothing said or done in connection with the transaction which supports the conclusion that the bank accepted the check as cash. Had it been drawn upon another bank, and payment thereof refused, the bank could have charged it back to Rogers, notwithstanding the fact that she had received credit therefor in her pass book. Why should a different rule apply when drawn upon the bank which receives the check and enters the credit in the pass book? In either case, in the absence of any agreement to the contrary, it is received for collection. If, in the one case it be paid, the amount is placed to the credit of the depositor; in the other, if there are sufficient funds to the credit of the drawer, the amount of the check is transferred on the books of the bank from the account of the drawer to the account of the depositor. If upon presentation of the check the account of the drawer is insufficient to cover it, he may nevertheless make deposits during business hours of the day in amount sufficient to pay it, in which case such funds, to the amount of the check, should be transferred to the account of the party presenting the check. If, however, at the close of banking hours on the day when the check is presented the account of the drawer is insufficient to pay it, the bank must then elect to either pay the check itself, charging the amount thereof to the account of the drawer as an overdraft, or return the check to the party presenting it as unpaid for want of funds. If the check is drawn upon another bank, the bank wherein it is deposited has a reasonable time within which to present it for payment, and when drawn upon the bank wherein it is deposited the bank likewise, in the ordinary transaction of business, has a reasonable time to ascertain the condition of the drawer's account, and, in the absence of a demand for cash, the bank has until the close of banking hours on the day of the deposit, for the reason that the drawer of the check may deposit funds during banking hours sufficient to pay it. This is not an unreasonable rule, inasmuch as the depositor may by inquiry ascertain the condition of the drawer's account, or call for cash in payment of the check.

When a check on the same bank is presented to the receiving teller for deposit by a depositor, with his pass book, together with a deposit slip upon which the amount of the check, together with other deposits, is entered, and said teller receives the same and enters the amount thereof in the pass book to the credit of the depositor, stamps the check "Paid," and impales the same upon a file, nothing more being said or done, this does not of itself raise the presumption that such check was received as cash or otherwise than for collection,

and the bank has until the close of banking hours on the day of deposit to ascertain whether the account of the drawer will permit of a transfer of the amount of the check to the depositor's account. If it will not, then, in the absence of any element of estoppel (and there is none here), the bank may charge back the amount to the depositor and return the check. Notwithstanding the fact that there are no funds to pay the check, the bank may elect to honor it as an overdraft, in which case a transfer of the amount from one account to the other is made upon the books of the bank. To constitute such transfer two acts are necessary, namely, charging the one account, and crediting the other, with the amount of the check. In the case at bar, it appears that the books of the bank were posted in alphabetical order, and that Mrs. Rogers' account was credited with the check, but no charge or entry was made against the account of Widney for the reason that he had no funds therein. Under these circumstances, the credit given Rogers did not constitute any transfer of the amount of the check to Rogers' account, nor did the act show an intent on the part of the bank to recognize the check as a cash deposit. "The fact that the depositor's account is credited with the amount of the items taken for collection does not of itself operate to transfer the title to the paper, for, by the custom of bankers, the collection is charged back at once if not paid." (3 Am. & Eng. Ency. of Law [2d Ed.] p. 817.)

The fact that the bank on the same day cashed one of Widney's checks for $90 is wholly immaterial. It might be willing to advance him a small sum, and for obvious reasons unwilling to grant a like accommodation for another or larger sum. There would be no limit to the hazard of banking under a rule that required it to pay all overdrafts made by one to whom it had extended some slight favor of this character.

On the day of its deposit the check, with notice of its dishonor, was mailed to Mrs. Rogers at her admitted address. She did not call at the post office until five days later, when she received it and retained possession thereof until the trial of the case. It is contended by respondent that sending the notice by mail was insufficient; that it should have been given in a manner to have assured its immediate delivery. It is unnecessary to pass upon the sufficiency of the service by mail, for, conceding the depositor to be entitled to notice, and that mailing it was improper, it is not pretended that she sustained any damage by reason thereof. In any event, the bank's liability could only extend to the damage which was caused by the delay in sending it through the mail. None being claimed, it is immaterial how the notice was served. There are no facts presented by the record which would constitute an estoppel against the bank, or render it liable for the payment of this worthless check.

We are aware the courts of other states have rendered opinions apparently in conflict with Bank vs. McDonald, supra. As a rule, however, they are easily distinguishable from the case under consideration. The case of Oddie vs. National City Bank (45 N. Y. 735, 6 Am. Rep. 160) cited by respondent, is not in point, for the reason that on the day upon which the check was deposited the drawer thereof made a deposit in amount sufficient to cover the check. This rather supports the theory that the rights and liabilities of the parties must be measured by the transactions occurring during the business day as a whole, rather than the particular time of the receipt of the check. In Montgomery Co. vs. Cochran (126 Fed. 456, 62 C. C. A. 70) the county treasurer in his official capacity accepted a check in payment of certain bonds which he caused to be delivered to the one from whom he received the check. The treasurer was held liable for the amount of the check upon the ground that he received it as cash. We fail to perceive any analogy between the facts in that case and the one at bar.

The judgment and order are reversed.

POWERS OF BANK PRESIDENT—AGREEMENT TO PAY INTEREST ON DEPOSIT.

BOYD'S EXECUTOR vs. FIRST NATIONAL BANK OF WILLIAMSBURG.

COURT OF APPEALS OF KENTUCKY, MARCH 18, 1908.

The president of a bank may be authorized to do anything within the authority of the bank's charter.

A bank is bound by the agreement of its president to pay interest on a deposit, where in making such agreement he was acting within the scope of his authority.

THIS was an action to recover interest upon a bank deposit, under an alleged agreement claimed to have been made with the president of the bank.

SETTLE, *J.*: (Omitting part of the opinion.)

On the facts presented by the record little doubt can be entertained of the president's authority to enter into the agreement with Boyd referred to. We are aware that the active management of the monetary affairs of banks is ordinarily intrusted to the cashier. If the president receives only a nominal salary, and is expected to devote only a portion of his time to the business of the bank, he will not possess all the authority of the cashier. He may, however, be authorized by the directors to do anything within the authority of the bank's charter, and the modern tendency, and probably prevailing custom, in banking is to make the president the active manager, as well as the responsible head, of all the affairs of the bank, subject to the control of the directors; and because of the extraordinary responsibility thus placed upon them bank presidents are paid large and remunerative salaries. Owing to the diversity of opinion expressed by the courts of last resort of the several states as to the authority appertaining to the offices of president and cashier, it is sometimes difficult to determine their respective powers and duties. But the weight of modern authority seems to be that the acts of the president in the exercise of the following specific powers will be binding on the bank: In 5 Cyc. pp. 469-480, it is said: "The president can employ counsel and conduct the bank's litigation, borrow money, indorse and transfer the bank's paper, assign and foreclose a mortgage, take collateral security for a loan, receive a deposit and issue a certificate of deposit therefor, receive payment of money and other obligations due the bank, assign security to a public depositor to secure it, acknowledge a claim barred by the statute of limitations, remit judgment in favor of a bank on a sufficient consideration, renew a debt, and offer a reward. It is not within the scope of his authority to make a compromise, except when he is specially authorized, or the general management of the bank is given up to him. Nor can he discount paper when this power is reserved by the directors, relieve the maker of a note or other debtors, authorize the payment of a check not drawn on proper funds, sell the bank's property, execute a mortgage on its real estate, pledge its property for the payment of a debt, stay the collection of an execution against the estate of a bank's debtor, waive the conditions of contract for the sale of land, certify to his own check, execute a conveyance of his bank's property for the benefit of its creditors when it has become insolvent, agree to pay a promoter for procuring stockholders, or release a subscriber." (Savings Bank of Cincinnati vs. Benton, 2 Metc. [Ky.] 240; Kilgore vs. Buckley, 14 Conn. 362; Allison vs. Hubbell, 17 Ind. 559; Hazelton vs. Union Bank, 32 Wis. 34; Reno vs. James, 16 Ky. Law. Rep. 60; Parker vs. Donnally, 4 W. Va. 648; Richard vs. Osceola Bank, 79 Iowa, 707, 45 N. W. 294; Morgan vs. Merchants' Nat. Bank, 13 Lea [Tenn.] 234; U. S. National Bank vs. First Nat. Bank, 79 Fed. 296, 24 C. C. A. 597.)

In making the deposit in question upon the assurance of appellee's president that it would pay him interest thereon, R. Boyd had no reason to doubt the president's good faith or to question his authority to act for and

bind the bank. The conduct of the president throughout the transaction was consistent with his duties as chief officer of the bank, and his acts within the apparent scope of the authority usually conferred by banks upon their presidents. We are of opinion, therefore, that appellee should be held liable to appellant as executor for the interest claimed, because the deposit of the $4,000 was secured through the promise of its president that the interest would be paid by it, and also because its president, as its chief officer. had authority, general or implied, to secure the deposit for it by agreeing to pay interest thereon. In order to avoid the consequences of what, under the facts of this case, appears to have been an ordinary exercise of power by its president in a matter within the apparent scope of the authority and duties of his office, it was incumbent on appellee to show that he did not possess such authority, and that this was known by R. Boyd, deceased, at the time of making the deposit. No testimony, either in the form of a resolution adopted by its directors or otherwise, was introduced by appellee to show want of authority in its president to make the agreement relied on by appellant, and the circumstances were not such as to rebut the presumption that he possessed the power to make the contract obligating the bank to pay the interest claimed by appellant. The transaction between R. Boyd, deceased, and appellee's president was not *ultra vires*, but merely an ordinary, legitimate transaction, common to the business of banking, and such, we think, as could be conducted by the president in the usual course, without express authority from the directors. "Those dealing with a bank in good faith and in the usual course of business have a right to presume integrity on the part of its officers when acting within the apparent sphere of their duties, and the bank is bound accordingly." (Merchants' Bank vs. State Bank, 10 Wall. [U. S.] 604, 19 L. Ed. 1008; People's Bank vs. Nat. Bank, 101 U. S. 181, 25 L. Ed. 907.)

ASSESSMENT OF TAXES ON NATIONAL BANK—INJUNCTION TO RESTRAIN.

FIRST NATIONAL BANK OF ALBUQUERQUE vs. GEORGE F. ALBRIGHT, ET AL.

SUPREME COURT OF THE UNITED STATES, FEBRUARY 24, 1908.

An injunction will not be issued to enjoin an assessment for taxation upon the stock and real property of a national bank merely because of the apprehension that the assessing officers will violate the National Bank Act in making the assessment.

THIS was a complaint or bill against the assessor, the treasurer and *ex officio* collector, and the district attorney of Bernalillo, New Mexico, to enjoin the reassessment of a tax on stock and real estate for the year 1903 upon the plaintiff bank, which the plaintiff was informed and believed that defendants would attempt. The bill alleged that the plaintiff gave the assessor a list in which capital stock, surplus and real estate were lumped in a single item with a single valuation of $90,000. Thereupon the assessor made a different valuation, lumping the capital stock and valuing it at sixty per cent. of its par value, and giving separate figures for the surplus and the several parcels of real estate, the total being $150,542. This was affirmed by the territorial board of equalization on appeal. Afterwards the plaintiff paid the amount admitted by it to be due, and was sued for the residue; but the suit was dismissed, the district attorney giving out that a new assessment would be made. It was alleged that the assessor, in 1903, announced as his method of valuation that all property except bank property and bank shares would be assessed at one-third of its real value, but that he would assess banks at sixty per cent. of the capital stock and surplus in addition to their real estate; that he did as he announced, and also assessed the real estate without deducting the value "from the valuation of other property assessed against said banks." Beside

the prayer for an injunction there was another that the treasurer and *ex officio* collector be ordered to cancel the above-mentioned assessment upon his books. There was a demurrer, which was overruled below, but sustained by the supreme court of the territory, with directions to dismiss the complaint.

HOLMES, *J.*: The complaint admits that the plaintiff's return was not in accordance with the law, and the supreme court of the territory says that both that and the assessment were bad, and that a reassessment is authorized by local law. We see no reason to reverse its decision upon that point. If a reassessment is made, that now on the treasurer's books will be disposed of and will be no cloud upon the plaintiff's title, so that the whole question is whether a reassessment shall be made. The plaintiff's objection is not the technical one that no reassessment is authorized by statute, but the substantial apprehension that the shares will be taxed "at a greater rate than is assessed upon other money capital in the hands of individual citizens," contrary to the words of Rev. Stat. sec. 5219, U. S. Comp. Stat. 1901, p. 3502, and that the value of real estate separately assessed and taxed will not be deducted from the valuation of shares, as it is thought to be implied by that section and required by the territorial laws of 1891, chap. 40 (Comp. Laws, 1897, section 259), that it should be.

We assume that such an assessment of shares as is apprehended would be invalid under Rev. Stat. section 5219. (First Nat. Bank vs. Chapman, 173 U. S. 205, 219, 220, 43 L. Ed. 669, 674, 675, 19 Sup. Ct. Rep. 407.) We assume that it would be invalid none the less if disguised as a tax on sixty per cent. of the par value, if other moneyed capital was uniformly and intentionally assessed at one-third of its actual value and if sixty per cent. of the par value of the bank shares was more than one-third of their actual value. Accidental inequality is one thing, intentional and systematic discrimination another. (See, further, Raymond vs. Chicago Union Traction Co. 207 U. S. 20, ante, 7, 28 Sup. Ct. Rep. 7.)

We agree with the plaintiff that the only taxes contemplated by section 5219 are taxes on the shares of stock and taxes on the real estate. (Owensboro Nat. Bank vs. Owensboro, 173 U. S. 664, 669, 43 L. ed. 850, 852, 19 Sup. Ct. Rep. 537.) Hence, while the law does not consider the nature of the bank's investments not taxed in fixing the value of its stock (Palmer vs. McMahon, 133 U. S. 660, 33 L. ed. 772, Sup. Ct. Rep. 324), it may be argued consistently with the decisions that real estate taxed to the bank, and land out of the territory, which could not be taxed by it at all (Union Refrigerator Transit Co. vs. Kentucky, 119 U. S. 194, 50 L. Ed. 150, 26 Sup. Ct. Rep. 36), are meant to be deducted by Rev. State. Sec. 5219, and are required to be by the territorial law. But we agree with the Supreme Court of the territory that the time for deciding these and other questions has not come.

The acceptance of what was admitted to be due created no estoppel to demand more. There are no such precise averments in the complaint as would warrant our assuming that no assessment could be made for a further amount, still less that none in any form could be made, when there is no valid one upon the books. We cannot tell, and much more positive averments of intent than those before us would not warrant a court in prejudging, what the assessing officer will do. It is not for a court to stop an officer of this kind from performing his statutory duty for fear he should perform it wrongly. The earliest moment for equity to interfere is when an assessment has been made. Probably it will be made with caution, after this case.

Judgment affirmed.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B.A., LL.B., Barrister, Toronto.]

PROMISSORY NOTE—PAST DUE —SIGNATURE BY THIRD PARTY—AGREEMENT NOT TO SUE — RELEASE OF ORIGINAL MAKERS — INSUFFICIENT CONSIDERATION—BILLS OF EXCHANGE ACT.

STACK VS. DOWD (15 O. L. R., p. 331).

HEAD NOTE: Where a promissory note made by two persons in favor of plaintiff was, after maturity, signed by defendant at plaintiff's request, without any agreement or understanding for extension of time or for forebearance:

HELD, that the procurement by the plaintiff of the signature of the defendant was not equivalent to an agreement not to sue, and that no change has been made in the law in this respect by the Bills of Exchange Act.

(2) Held, also, that even if the original makers were released by the execution of the note by the defendant, such release would not be a sufficient consideration to support the promise of the defendant, inasmuch as there was no evidence of a desire, or request or consent, on her part that the other parties to the note should be released.

STATEMENT OF FACTS: The plaintiff received from Maurice Dowd a promissory note given for value of which one James Stack was a comaker. During the currency of this note the plaintiff gave a promissory note for $100 to Maurice Dowd as accommodation. This note the plaintiff was compelled to pay, and Maurice Dowd having failed, the plaintiff endeavored to get a note from Rosanna Dowd, the defendant, for the total of the two notes. This the defendant refused to do, but signed the original note, which was then overdue. There was no agreement or understanding for an extension of time or forbearance at the time Rosanna Dowd signed the note. The real defence to the action was that there was no consideration for the promise, if promise there were. The county judge dismissed the action, which was appealed to the Division Court.

JUDGMENT (FALCONBRIDGE, *C.J., K.B.;* BRITTON and RIDDELL, *C.J.*): The first argument for the plaintiff was that the procurement of the signature of the defendant to the note was in effect equivalent to an agreement not to sue. On this point the law is laid down in Byles on Bills, as follows: "A subsisting debt due from a third person is a good consideration for a bill or note payable at a future day." "But," it is added, in a note on p. 147, "if the note be payable immediately, it is conceived that the pre-existing debt of a stranger could not be a consideration, unless it were taken in satisfaction, or unless credit had been given to the original debtor at the maker's request."

An Ontario divisional court considered the point and decided that where after a note is, after maturity, signed by a third person without any consideration moving directly to such third person or any agreement to extend the time of payment, such third person is not liable thereon. This implies a finding that the execution by a third party of a past due note does not imply an agreement not to sue.

It is argued that the Bills of Exchange Act has changed the law as laid down in this case, but the Court found no support to such contention.

A further argument was that by the execution of the note by the defendant the former makers were released and therefore there was consideration sufficient to support the promise. The Court of Appeal for Ontario held that where a promissory note, after maturity, is signed by a third party without the privity of the original makers, the alteration is a material one, and the stattute provides: "Where a bill or acceptance is materially altered without the assent of all parties liable on the bill, the bill is voided, except as against a party who has himself made, authorized or assented to the alteration and subsequent endorsers." There is, however, no evidence that this alteration

had been made without the assent of the other parties to the note and, therefore, as far as the evidence goes, the note may still be perfectly good as against them. With regard to such alleged consideration it may be remarked that anything to be a consideration must be given, done or suffered at the request, expressed or implied, of the person making the promise. Applying that to this case, it is seen that there was no desire on the part of the defendants that the other parties to the note should be released and had she been asked it could not be that she would have consented to the release of the joint makers.

An argument might be advanced that by executing the note as she was asked, she by implication must be taken to have desired or consented to the legal consequence of such execution. No doubt for some purposes every one is bound to know the law, but the law is not so absurd as to say to a defendant, "The law is thus—true, you did not know that it was so and acted in that ignorance—you must be judged as though you had acted with a full knowledge of the state of the law, and, therefore, all your intentions, desires and consent must be gauged upon that hypothesis, admittedly untrue."

While under any definition of consideration, the release of the makers might be a valid consideration, it is not, under the circumstances of this case, such as would support the promise. The appeal should therefore be dismissed without costs.

JOINT DEBTORS — JUDGMENT AGAINST THEM — SUBSEQUENT ACTION AGAINST INDIVIDUAL MEMBERS—ARTICLES 1892, 1108, *AND* 1865, *CIVIL CODE.*

BANK OF MONTREAL VS. ROY (Que. Rep. 31 S. C. R., p. 439).

HEAD NOTE: It is no defence to an action by a creditor to recover the sum from one of several joint debtors that the same creditor has obtained judgment against others for the same debt.

STATEMENT OF FACTS: This was an action brought by the Bank of Montreal against the defendant Roy in his capacity as tutor to the infant daughter of the widow of Omer Carrier, one of the members of the former firm of Carrier, Laine & Co. of Levis, and was to recover the sum of $112,-682.12. There was no contest as to the amount, but only as to the right of the bank to obtain judgment against this defendant.

In November, 1905, the Bank of Montreal had brought action against the said firm to recover the above amount in respect of certain paper discounted with the bank and upon which this present action was based. In the first action all the members of the firm had not been joined; the infant daughter for whom Roy was tutor not having been made a party. Notwithstanding this omission judgment was given against the firm for the full amount of the claim as though all the members of the firm had been proceeded against. This was probably because no objection to the omission was taken. In following their remedies on this judgment the bank has seized certain of the goods and chattels of the firm, sold them and distributed the proceeds. When they sought to seize the other chattels the defendant opposed their proceeding, alleging that his pupil was the owner of an eighth part as to which no seizure could be made because no judgment had been obtained against her; and this position was sustained by the court. Thereupon the bank commenced this action and alleged that they had not joined the defendant before in the first action because his pupil was the posthumous daughter of Omer Carrier and was not mentioned in the letters of guardianship issued.

JUDGMENT (LEMIEUX, *J.*): The defences set up on this state of facts were as follows:

(1) You cannot proceed against one member of a firm for the total debt of the firm. (2) The action ought to be against the firm itself. (3) The present action, if successful, would give

a second judgment on the same debt against one of the members of the firm for a debt due only jointly by him together with all the other members of the firm. In other words, the defendant says that the bank cannot divide its right of recourse against the members of the firm and having elected to sue certain of them their right of recourse has now gone. Further, the defendant alleges that the firm of Carrier, Laine & Co. has never been dissolved and still exists. It was decided in Beauport vs. Dinnan by the former Chief Justice that judgment could not be recovered against one of the members of the firm for the total debt unless there had been a dissolution or insolvency of the firm. There is no doubt of the correctness of this principle, but it does not apply to this case, because upon demand of the bank in November, 1905, the said firm closed its establishment, ceased payment and its goods had been seized and sold under judicial process. Now insolvency is the state of a merchant who ceases to make payment. Stopping payment is the characteristic and constituent element of insolvency. That being so, Carrier, Laine & Co. have been insolvent since 1905, and particularly since the commencement of this present action have been dissolved under the terms of Article 1892 of the Civil Code. What remains are the associates who, being joint debtors, can be each of them separately compelled to pay the entire obligation; and the fact of the first action against one of the several associates cannot be invoked in a second proceeding against another of them by reason of the provisions of Article 1108 of the Civil Code. Articles 1107, 1836 and 1865 are also of importance and in consequence of their provisions the plaintiff is enabled to institute this present action notwithstanding the former judgment.

The defendant alleges that the second judgment in favor of the bank will constitute a double condemnation for the same sum. That is not necessarily so. This action is so clearly characterized as to leave no one in doubt that it is based upon the same debt as the first action, and if one of the associates pays the debt he thereby frees all his co-associates from the debt. If the creditor should desire to exercise a double recourse by execution against one of the associates when he had been paid by another, his proceedings could be at once stopped by virtue of the payment made by the co-partner.

In these circumstances the court holds the action well founded, and directs judgment to be entered against the defendant for the sum of $112,682.12 and interest and costs.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

SIGHT DRAFT WITH BILL OF LADING—DEMANDING EXCHANGE.

Prescott, Ariz., April 13, 1908.

Editor Bankers Magazine:

Sir: "A" bank receives a sight draft from "B" bank, with bill of lading attached. In the draft nothing is said about exchange. In the letter from "B" bank to "A" bank they state in substance that when drawee pays the draft, *"with exchange"* deliver the bill of lading to him. The drawee refuses to pay the exchange and tenders the face of the draft and demands the bill of lading. Should "B" bank accept the tender or follow the instructions in the letter?

L. B. Larimer, *Cashier.*

Answer.—A bank to which paper is transmitted for collection is a mere agent, and should follow implicitly the instructions of the person from whom it receives the paper. If, in the present case, the instruction is clear that the bill of lading is not to be delivered unless the drawee pays exchange as well as the face of the draft, then the bank should adopt that course; but if the instruction is ambiguous, then, as the draft does not call for exchange, the safer course would be to accept the tender made.

FRACTIONAL CURRENCY.

Mrs. Newed—Instead of giving me pin money, my husband puts it in the savings bank for me.

Mrs. Oldwed—Sort of safety-pin money, as it were.—*Columbus Dispatch.*

✚

"The rich do not live long," says Chancellor Day. Evidently the chancellor never had a rich uncle.—*Toledo Blade.*

✚

Man marveled wheresoe'er his voice might reach,
And oft with envy was their marveling fraught,
That one could draw such dividends of speech
From such a modest capital of thought.
—*Washington Star.*

✚

English husbands are entitled to their wives' savings, by a recent decision. No wonder there are suffragetts.—*New York American.*

✚

Many a man is suspected of being rich merely because he doesn't pay his bills promptly.—*Chicago News.*

✚

It's prudent finance to trust a man till you can get the money out of him.—*New York Press.*

✚

The miser as he strolls around
Upon this globe of sin
Is apt to blow about his dust—
But he never blows it in.
—*Chicago News.*

✚

A little girl whose father is well known in Wall street recently made her go-to-bed prayer in these words: "Dear God, be awfully careful of Yourself, for if we should lose You we have nobody but the president, and papa does not like the way he acts."—*Home Magazine.*

✚

The Needy One—"Lend me five dollars for a week, old man."

The Other—"Who is the weak old man?"—*Philadelphia Inquirer.*

✚

Quit opening so many cigarette packages, young man, and open a bank account instead.—*Boston Globe.*

Weekle—So Slippsy is a defaulter, eh?

Deekle—So they say.

Weekle—By George, I always wondered why he said "Thank you" so pleasantly every time I made a deposit.—*Bohemian.*

✚

It takes more than a good bank account to make a man well-balanced.—*Philadelphia Bulletin.*

✚

"No," said the grocer, firmly, "I cannot trust you for a ham."

"I don't want your old ham," responded the man addressed. "My purpose was to ascertain if the conduct of the President really had disturbed credit. I fear it has." *Philadelphia Ledger.*

✚

Pa—It grieves me to think that my money will pass into spendthrift hands like yours when I die.

Son—Well, never mind; it won't stay there long—*Evening Telegram.*

✚

The pen is mightier than the sword. You can't write checks with a sword.—*Philadelphia Record.*

✚

Here's to our wives!
They fill our lives,
Like busy bees, with honey;
They ease our shocks,
They darn our socks—
And spend most all our money.
—*Chicago News.*

✚

The bank at Chinchu was in financial straits. When the governor of the province heard of it he sent for the bank officials and the bank books. When they arrived he turned to the captain of the guard.

"Ki Hi," he said, "bring the headsman and an auditor."

They were duly brought.

"Now," he said, "while the auditor adds the footings the headsman will subtract the heads."

Laughing hoarsely he turned away—*Cleveland Plain Dealer.*

✚

Patience—I hear Will is going to marry that girl he's been spending so much money on.

Patrice—Yes; he's going to make her a permanent receiver.—*Yonkers Statesman.*

TRUST COMPANIES

Conducted by Clay Herrick.

SUPERVISION OF TRUST COMPANIES.

THROUGHOUT the country the state legislatures are being flooded with bills having for their purpose the more thorough regulation and supervision of the various financial institutions, including trust companies, by the state. The large number of such bills is no doubt due in part to the influence of the recent panic, but results also from the growing tendency to more adequately safeguard the public. The proposed legislation represents all sorts of views, and is prepared by persons who understand the subject and by those who do not. Some of it is fostered by men unfriendly to trust companies, and some is brought forward at the instigation of trust company officials.

The men who represent the best-managed trust companies in the various states are practically a unit in favor of carefully-prepared laws which, within reasonable limits, restrict the operations of trust companies and protect the public against possible mismanagement, dishonesty or speculation, and especially which prevent the operation of concerns which are trust companies in name, but are in fact organized and maintained for speculative purposes. Such men not only approve but ardently desire legislation which will discourage and prevent all unsafe or vicious practices without interfering with the legitimate business of the trust company. Indeed, the properly-conducted trust company has nothing to lose and much to gain from well-considered legislation which will compel the proper management of all trust companies.

The problem of determining just what matters should be covered by legislation intended to safeguard the trust company business is not easy of solution. Experts are not agreed. Care must be exercised lest, in the effort to protect the public, measures be adopted which will adversely affect the interests of the people by crippling trust companies in the exercise of their perfectly legitimate functions. Particularly is this true at a time like the present.

Thoroughness Required.

Whatever plans for the regulation of trust companies are adopted, it is necessary to provide such supervision as will ensure their enforcement. Both reason and experience demonstrate that thoroughness is essential to the success of any plan for the supervision of financial institutions. Unless it is thorough, unless it provides for the time and the trouble and the expense needed to get at the details, any such attempt degenerates into a mere farce, which not only does not attain its object of supervision and enforcement of regulations, but, what is more important, brings contempt upon the law and the government. Trite as the observation may be, it is essential to bear in mind that laws are made, not for the law-abiding, but for the law-breakers. A law which is so easily evaded by those disposed to do so is worse than useless. The trust companies which need regulation and supervision are those which, through ignorant, incompetent or vicious management are apt to depart from safe and honest methods of business; and effective regulation and supervision

must be devised with such companies especially in view.

Current Methods of Supervision—Reports.

The methods of supervision practiced by the different states include reports to state authorities and examinations by them. The provisions regarding these differ materially, but both reports and examinations of greater or less thoroughness are required in most of the states. The frequency of the reports varies from one to five times a year. The common custom is to require a certain minimum number of reports each year, the state officials having the matter in charge being given power to call for additional reports at their discretion. In ten states the minimum number of reports that must be made is one; in nine states, two; in five states, three; in fifteen states, four; in three states, five; and in four states the reports are to be called whenever the state officials consider it necessary. It is usually provided that either the full reports or abstracts of them must be published in local papers.

In most of the states the reports are to be made as of dates to be selected by the state authorities, and in more than half of them the statutes provide that they must be called for as of some *past* day. Nearly all recent legislation has avoided the old plan of fixing definite dates for reports, except in the case of reports rendered for purposes of taxation. This marks a distinct forward step, for it is evidently an easy thing for almost any company to be ready to show a good statement if the date of the statement is known in advance.

In the District of Columbia trust companies are required to report to the Comptroller of the Currency at the same times that the national banks render their reports. The Oregon banking law, adopted in 1907, requires banks, including trust companies, to render five reports a year, as of the same dates for which the national bank reports are called. Washington, which requires three reports a year, and West Virginia, which requires four, stipulate that the reports shall be called for on national bank report days.

In about fifteen of the states, trust companies are under the same rules for reports as are the banks.

What the Reports Must Show.

In a number of instances the statutes specify in detail the form and the contents of the reports. Where not so specified, the form and contents are usually to be determined by the state officials. The amount of detail called for in the statement of resources and liabilities varies considerably, as does the additional information which must be reported. Some statutes specify that the report must show details, but leave the determination of the details to the state officials. For example, the Connecticut statute, which is similar to several others, reads as follows: "Each such report shall exhibit in detail and under appropriate heads, according to the form which may be prescribed by the commissioners, the resources and liabilities of such bank or trust company at the close of business on any past day specified by the commissioners."

As an example of a statute which details the items which must be reported, that of Illinois reads as follows:

"9. Such companies shall file with the said auditor, during the month of January of each year, a statement under oath, of the condition of such company on the thirty-first day of December next preceding, exhibiting the following items in the following forms:

(a) The assets of said company, specifying:

First—The description and market value, or as nearly as may be, of the real estate owned by such company.

Second—The amount of cash on hand and deposited in banks to the credit of said company, specifying in what banks such deposits are.

Third—The amount of cash in the hands of agents and in course of transmission.

Fourth—The amount of loans secured by mortgages and bonds constituting a first lien on real estate, on which there shall be less than one year's interest due or owing, and the amount of such interest.

Fifth—The amount of such loans on which there shall be more than one year's

interest due or owing, and the amount of such interest.

Sixth—The amount due the company on which judgments have been obtained.

Seventh—The amount of stocks and bonds of this state and of the United States, of any incorporated city of this state, and of any other stocks and bonds owned by such company, specifying the amount, number of shares, and the par and market value of each kind of stock or bonds.

Eighth—The amount loaned upon the pledges of securities, with a statement of the securities so held by such company, and the par and market value of such securities.

Ninth—The amount of all other assets of such company, including accrued interest not enumerated above.

(b) The liabilities of such company, specifying:

First—The capital stock paid in.

Second—The surplus on hand.

Third—The undivided profits.

Fourth—The deposits held by such company.

(c) A list and brief description of the trusts held by such company, the source of the appointment thereto, and the amount of real and personal estate held by such company by virtue thereof, except that mere mortgage trusts wherein no action has been taken by such company, shall not be included in such statement. The said report shall also be in such form and contain such statements, returns and information, as to the affairs,. business condition and resources of the corporation as the said auditor of state may, from time to time, prescribe or require."

The reader will not fail to notice that the above provisions call for several important items of information in addition to the ordinary statement of resources and liabilities. In the fourth and fifth items under (a) a separation of loans upon which interest is delinquent is required. The seventh item calls for a detailed statement of investments in stocks and bonds, instead of a mere statement of the total amounts invested in each. The eighth item calls for an itemized statement of the securities held in connection with collateral loans.

A provision like that in (c), calling for information regarding the trusts held, is found in the statutes of only a very few other states, though the authority usually given to state officials to call for such additional information as they deem wise may in some cases make it possible to require such reports where the statute does not so specify.

Penalties for False Reports.

It is usually required that the statements or reports submitted be sworn to by certain officers of the reporting company. In addition to this, the laws of many of the states now provide severe penalties for the rendering of false reports, the penalty in many cases being more than the mere fining of the company, and making the responsible individuals liable to both fine and imprisonment. Several of the states, as, for example, Illinois, provide that false swearing regarding a report shall be deemed perjury and be punished accordingly. The New Jersey statute on this point reads as follows:

"Every director, officer, agent or clerk of any trust company who wilfully and knowingly subscribes or makes any false statement of facts, or false entries in the books of such trust company, or knowingly subscribes or exhibits any false paper, with intent to deceive any person authorized to examine as to the condition of such trust company, or wilfully or knowingly subscribes to or makes any false report, shall be guilty of a high misdemeanor, and punished accordingly." In Wisconsin the making of any such false statements or entries or the subscribing to same is punishable by a fine of from $1,000 to $5,000, or imprisonment in the state penitentiary for from one to ten years, or both, at the discretion of the court.

Failure to make reports within the time specified is punished by fines ranging from ten to one hundred dollars for each day of delinquency, while in several states persistent failure to report renders the company liable to the voiding of its charter.

Examinations.

Reports of condition, no matter how detailed and thorough they may be, and no matter how severe the penalties prescribed for false reports, are evidently inadequate to the purpose of proper su-

pervision unless supplemented by careful and frequent examinations. This fact is recognized by most of the states in provisions for periodical examinations of trust companies and other financial institutions, although there are still several states which do not require such examinations. Much progress in this direction has been made during the past four or five years. Twenty-one states now require trust companies to be examined by state authorities at least once a year; seven states require such examinations at least twice a year; while ten states authorize state officials to examine such corporations at their discretion. As a rule, however, the examinations provided for are not thorough enough to accomplish their object. The examining forces are frequently inadequate, and the provisions of the law are often such as to prevent their making more than a surface examination. The custom in some states of requiring examinations only at the discretion of the state officials has often resulted in many companies going for years without examination. This is not always the fault of the officials, as they sometimes have at their disposal no funds with which to make examinations.

It is usually, and should be always, stipulated that the examination shall be made without previous notice to the company examined.

In three or four states the provision is made that if the company or the officers thereof are connected with a national bank, the examiner shall arrange to examine the company at the same time that the Federal examiner visits the national bank. In one or two states it is specified that the examination shall cover all departments of the company.

In addition to examinations by state officials, a few states require examinations by the directors. In New York the law on this subject reads as follows:

"Sec. 21a. It shall be the duty of the board of directors of every bank and trust company in the months of April and October in each year to examine or cause a committee of at least three of its members to examine fully into the books, papers and affairs of the bank or trust company of which they are directors, and particularly into the loans and discounts thereof, and of the collateral security, if any, given in connection therewith, and into such other matters as the superintendent of banks may require. Such directors shall have power to employ such assistance in making such examination as they may deem necessary. Within ten days after the completion of each of such examinations a report in writing thereof, sworn to by the directors making the same, shall be made to the board of directors of such bank or trust company, be placed on file in said bank or trust company, and a duplicate thereof be filed in the banking department. Such report shall particularly contain a statement of the assets and liabilities of the bank or trust company examined, as shown by the books of the bank or trust company, together with and deductions from the assets, or additions to liabilities, which such directors or committee, after such examination, may determine to make. It shall also contain a statement, in detail, of loans, if any, which in their opinion are worthless or doubtful, together with their reasons for so regarding them; also a statement of loans made on collateral security which in their opinion are insufficiently secured, giving in each case the amount of the loan, the name and market value of the collateral, if it has any market value, and, if not, a statement of that fact, and of its actual value as nearly as possible. Such report shall also contain a statement of overdrafts, of the names and amounts of such as they consider worthless or doubtful, and a full statement of such other matters as affect the solvency and soundness of the institution. * * *"

A LAND CONTRACT LEDGER.

THE accompanying illustration shows a land contract ledger recently devised by a company that handles estates which own a large number of such securities. The heading is designed to show all information regarding the terms of the contract which will ordinarily be needed. The form is arranged for the figuring of interest on each item, thus keeping a permanent record of the detail of interest computations, and permitting the bookkeeper to keep such computations always up to date. The form is arranged for a loose-leaf binder, the size being $11\frac{1}{4}$ by $15\frac{1}{4}$ inches, in addition to the binding space.

TRUST DEPARTMENT—

CONTRACT DATED 3/1/07 CONSIDERATION $2000.00

DOWN PAYMENT $200.00 MONTHLY PAYMENT $20.00

6 % INTEREST ON $ all , — % INTEREST ON BALANCE.

INTEREST PAYABLE Mch. 1 and Sept 1.

MEMORANDA

LAND CONTRACT LEDGER—TRUST NO. 327

PURCHASER John and Mary Barky

ADDRESS As below

PREMISES 2734 Summit St.

TITLE Agent for M. S. Brown

SHEET NO. 1 FROM 3/1/07 TO

Date			Days	Debit	Interest	Amount	Date			Days	Credit	Interest	Amount
3	1	07	184	Balance due on contract	54 45	1800	4	1	07	153	Payment on contract	50	20
6	15	07	77	Taxes last half 1906	27	21 15	5	1	07	123	" " "	40	20
8	31	07		Interest to 9/1/07	54 72	53 22	6	1	07	92	" " "	30	20
							7	1	07	62	" " "	20	20
							8	1	07	31	" " "	10	20
											Balance	1 50	1774 37
						1874 37							1874 37
9	1	07		Balance		1774 37	9	1	07		Payment of int. and taxes		74 37
							9	1	07		" on contract		20

Land Contract Ledger.

HOLDING DIRECTORS RESPONSIBLE.

AMONG the progressive movements to which the recent panic has given something of an impetus is the tendency to fasten upon the directors of trust companies and other financial institutions more definite and more intelligent responsibility for the condition of their companies. This tendency is observable in much of the recent legislation, as representing the views of outsiders; and from within the circles of our financial institutions it is evidenced by a changing of plans so as to keep the directors more thoroughly informed regarding details of the business, and by an increased demand upon the part of many directors to know more about what is going on in the corporations under their charge. One western company has adopted the plan of having a complete duplicate set of the company's general books kept up for the exclusive use of the directors, such books showing the detail of all entries affecting loans, investments, expenses, cash on hand, and with reserve agents, etc. In many companies the old skeleton statement, showing only the barest outlines of the business, no longer satisfies the directors, who insist upon more specific and detailed information. The result of all this in the way of keeping the men who are finally responsible in close touch with every important item of the business, impressing upon them their responsibility and arousing in them a more earnest desire to further the interests of the company, is not difficult to see. It must, of course, discourage the man who has accepted a position on the board merely for the honor and without intention of giving time or thought to his duties—and if it does, 'tis a "consummation devoutly to be wished." There are few movements having greater possibilities for good to trust companies themselves, to their customers and to the public at large than this trend towards "directors who direct."

TRUST COMPANIES INTERESTED IN THE CURRENCY QUESTION.

DISCUSSION of the currency question is carried on very largely by men connected with the national banking system. So far as any changes that may be made will affect the issue of currency by the national banks, their interest in the matter is, of course, peculiar. From all other standpoints,

however, the question is of equal interest to all kinds of financial institutions, and indeed to all the people. The trust company as a financial institution will be fundamentally affected for better or for worse by material changes in the currency system. It is certainly desirable that trust company officials should more generally take part in the study and discussion of this most vital question.

TRUST COMPANIES AND THE PANIC.

THE rehabilitation of the Knickerbocker Trust Company means more than that this particular institution has regained its feet. The Knickerbocker Company suspension was the event which precipitated the panic of 1907, and that institution and others supposed to be connected with it were for a time the storm center. In those days of fear the wildest stories of probable losses were in the air, while there were not wanting many who seized the occasion to make wholly unfounded criticisms upon the trust company as an institution. To-day the Knickerbocker Trust Company is solvent and is doing business. Of the comparatively few other trust companies which were forced to suspend several have reopened, while others in process of liquidation will undoubtedly pay to depositors every cent that is due them. Present indications are that the losses to trust company depositors in the United States on account of the recent panic will be in the aggregate a negligible quantity. And this in the face of the fact that the strain to which they were for a time subjected has rarely been equalled in severity.

There should be no disposition to gloss over any defects or weaknesses which the panic may have revealed. The opportunity ought not to be lost of eradicating any unsafe or questionable tendencies which may come to the surface. The knife must be applied unsparingly where it is needed—and no one doubts that there are places where it is needed. But with regard to the trust company as an institution the developments of the past six or seven months have failed to justify any wholesale misgivings as to the soundness of the principles under which trust companies are operated, or uneasiness regarding their ability to stand any strain which ordinary banks can stand.

NOTICE OF WITHDRAWALS.

ONE provision, of which the panic clearly demonstrated the value to the trust company as well as to the savings bank, is the rule, contained in the savings regulations of many such companies, allowing them to require sixty days'—or longer—notice of the intention of the depositor to withdraw funds. In some cities it has been the custom of trust companies to always require notice of withdrawals; while in other cities such a rule has not been enforced in ordinary times, but was made use of during the panic. Experience during the strenuous months at the close of the year 1907 showed the value of this rule in giving the company time to make the necessary arrangements to meet an excessive drain of deposits and in postponing action on the part of depositors until those affected with panic had time to recover from their fright. It can hardly be doubted that to one or both of these results of this rule many companies owed their ability to safely weather the storm. In some states where the savings banks are by state legislation given the right to enforce such rules, the question is being raised whether the law should not give the same privilege to trust companies.

The justness of such a rule or law can hardly be called in question. The savings deposit is given a high rate of interest because it is assumed to be a long-time deposit. This assumption is understood by every intelligent depositor. The trust company cannot invest the funds deposited by any particular depositor in such a way that it can upon demand turn the investment into cash and return the cash to the depositor.

In handling a large number of such deposits the company is apt to find itself always in funds, so that it can in practice during ordinary times pay even savings depositors upon demand. But when in times of panic a large number of depositors wish their deposits paid at once, the company finds itself much in the same position as it would be if handling only the deposit of one customer. It has invested the money on the supposition that the deposit is to remain for a considerable period; and it cannot without reasonable notice transform the investment into cash or immediate credit. It would, therefore, seem entirely reasonable and just that in such a crisis the company be given the right to demand notice of proposed withdrawals. Such a rule operates to protect the depositor as well as the company, since it is a strong factor in assuring the continued solvency of the company. In practice the enforcement of the rule during the panic was waived so far as concerned small withdrawals by those in need of funds for actual living expenses.

IMPORTANT TRUST COMPANY LEGISLATION IN NEW YORK STATE.

A NUMBER of the bills relating to banks and trust companies framed by Superintendent of Banks Williams have become laws. One of these strikes at the "chain-bank system," prohibiting trust companies from owning stock of another moneyed corporation, the par value of which is in excess of ten per centum of the capital stock of such other moneyed corporation. This does not, however, apply to safe deposit companies. The bill provides for the valuation by amortization of securities held as capital investment of trust companies.

Dummy directors are given a blow in the bill which requires a director of a trust company upon re-election to include in his oath of office a declaration that the stock necessary to qualify him as a director has not been hypothecated during his previous term. A similar bill regarding directors of banks was passed.

TRUST BUSINESS IN SMALL COMPANIES.

NO statistics have been gathered to show how many of the trust companies of the country actually undertake any trust business. It is certain, however, that a large percentage—perhaps half—of them do only a banking and savings banking business, making little effort to build up a trust department. This is especially true of the smaller companies and of those located in the smaller cities and towns.

It is worth consideration whether these companies are not wasting valuable opportunities. There is considerable trust business to be done even in small towns, and if a good beginning is once made by a company which shows itself able to handle such business satisfactorily, the custom of using the trust company for such business is bound to grow. Judicious advertising of its facilities for doing a trust business will pay the small company, for it is not difficult for them to point out distinct advantages which they have over individuals in such work as that of executor, administrator, guardian, trustee or agent.

NEW COUNTERFEIT $20 GOLD CERTIFICATE.

SERIES of 1906; check letter "D"; J. W. Lyons, Register of the Treasury; Ellis H. Roberts, Treasurer of the United States. These counterfeits are crude photographs with colored inks and water colors roughly applied to the seals, numbers, and backs. A few silk threads have been distributed between two pieces of thin paper upon which they are printed.

NEW YORK TRUST COMPANIES.

THE summary of the condition of New York State's eighty-five trust companies as of March 25 has been given out by State Banking Superintendent Williams. Compared with the December report, changes in the principal items of the present return show as follows:

Stock and bond investments	Dec.	$713,759
Loans on collateral	Inc.	3,137,445
Cash on hand	Inc.	3,457,031
Cash on deposit	Inc.	66,934,971
Individual deposits	Inc.	68,587,021
Deposits of banks and trust companies	Inc.	18,771,638
Total resources	Inc.	67,752,033

Changes from the returns of February 26, 1907, show as follows:

Stock and bond investments	Dec.	$49,312,568
Loans on collateral	Dec.	280,256,508
Cash on hand	Dec.	8,262,762
Cash on deposit	Inc.	56,779,573
Individual deposits	Dec.	235,202,242
Deposits of banks and trust companies	Dec.	18,399,335
Total resources	Dec.	320,281,639

Comparison of the present returns with the December figures, and with those of a year ago, is as follows:

RESOURCES.

	March 25, 1908.	December 19, 1908.	February 26, 1907.
Number of companies	85	85	89
Bonds and mortgages	$75,523,894	$80,607,677	$83,477,902
Stock and bond investment	259,770,674	260,484,433	309,083,242
Loans on collateral	410,753,386	407,615,941	691,009,894
Other loans	79,471,417	72,352,268	90,383,802
Overdrafts	140,311	163,946	153,577
Real estate	16,529,748	16,063,252	17,408,716
Due from trust companies, banks, etc.	135,126,226	70,109,096	94,204,885
Due from reserve agents	17,858,232	15,940,391	
Specie	43,910,659	40,680,237	49,456,781
Legal-tenders	6,910,117	6,683,508	9,626,757
Cash items	900,927	975,730	1,222,112
Held as executor	225,917	1,472,422	7,020,404
Other assets	22,483,477	28,704,051	12,354,429
	$1,069,604,985	$1,001,852,952	$1,389,886,624

LIABILITIES.

	March 25, 1908.	December 19, 1908.	February 26, 1907.
Capital	$65,800,000	$66,276,560	$66,850,000
Surplus	154,465,381	153,207,921	178,362,128
Deposits, check	595,791,337	544,136,361	850,893,579
Other deposits	67,141,290	55,409,245	99,987,316
Due trust companies	36,598,509	19,764,610	43,898,132
Due banks	25,053,652	23,116,513	36,153,364
Preferred deposits:			
Due savings banks	30,269,744	26,422,728	38,701,447
Due loan associations	271,996	239,239	652,282
Due as executor	46,133,108	41,874,738	37,228,976
Preferred deposits pledged	2,070,512	4,321,887	1,466,000
Deposits otherwise preferred	1,589,555	1,183,296	417,156
Preferred liabilities, as executor, etc.	225,917	1,472,422	7,028,404
Other liabilities	44,193,984	64,427,433	28,247,840
	$1,069,604,985	$1,001,852,952	$1,389,886,624
Total deposits:	804,919,703	716,468,616	910,945,075

PRACTICAL BANKING

HELPING THE TELLER.

By Charles W. Reihl.

TO an outsider—one not in the banking profession—the work of the bank teller seems a simple and easy matter, as well as pleasant and agreeable work, and so it is to the average teller, and so it should be to all tellers. For this reason it would seem superfluous to offer him any help in the way of doing his work. There are tellers who seem to think they know all there is to know about their work and who take it as an insult for any one to offer them a suggestion as to how it may be improved, or to even insinuate that they have made a mistake; but such tellers do not read the banking papers, so I feel sure that I shall not insult any teller by offering the following suggestions.

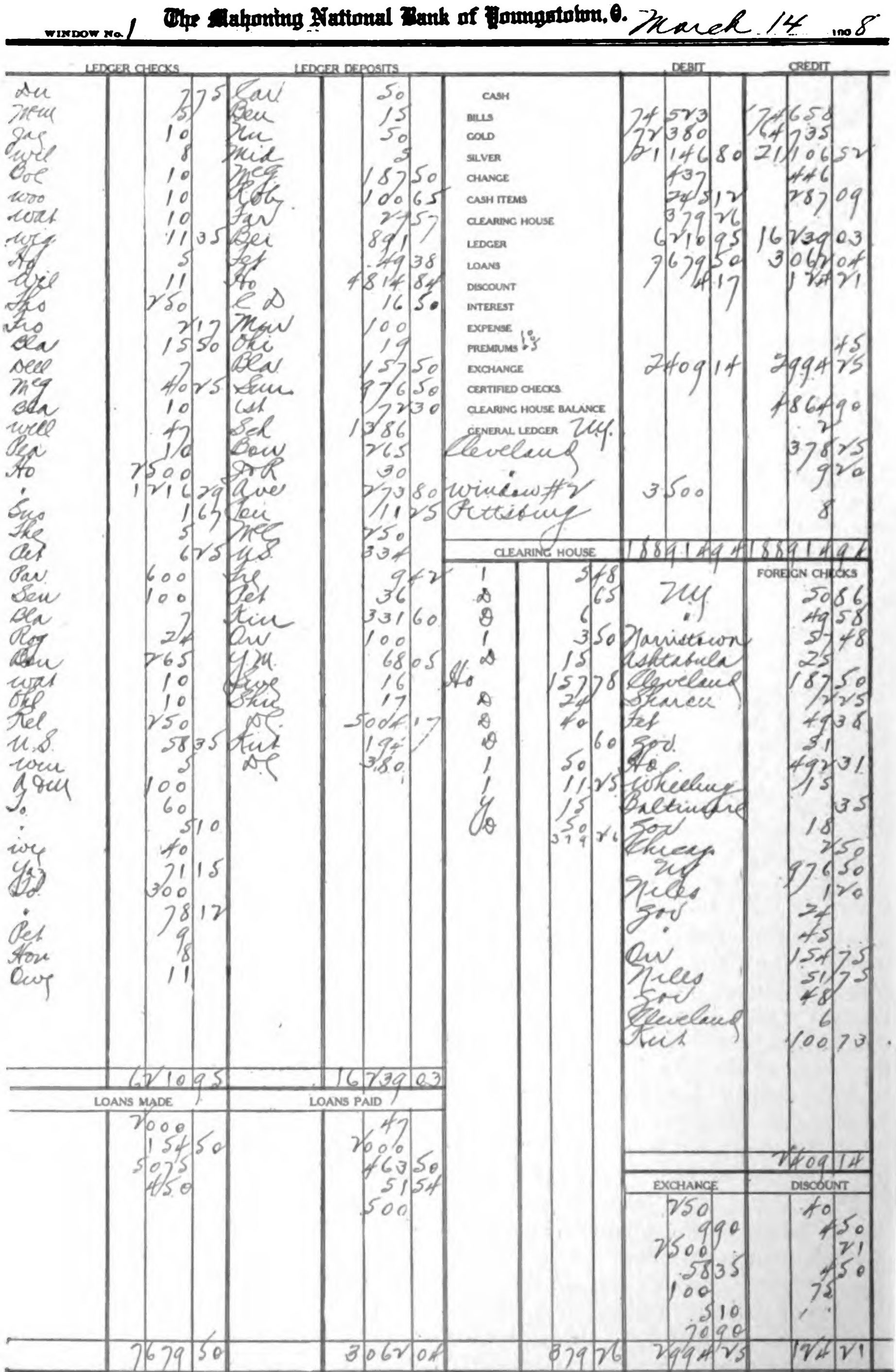
It would probably be a low estimate to say that in at least two-thirds of the banks in this country the tellers receive deposits and pay checks at the same window, and pay out from the funds they take in on deposit. And still further, it is safe to say that at least three-fourths of them have no good check on the work of the tellers.

The system herewith presented is used by the Mahoning National Bank of Youngstown, Ohio, and it is through the kindness of Mr. T. A. Jacobs, the cashier, that I am allowed to present it to the tellers of the country. This bank has two tellers' windows on the lobby, one marked Paying Teller and the other marked Receiving Teller, but at either window checks may be cashed, deposits made, loans paid or loans made, and any other transactions of like nature performed. Whatever transactions are made the record of them is made on the sheet marked Form 1 (the window sheet).

By way of illustration: Mr. B— makes a deposit of $265—consisting of one check on a depositor in the bank. The deposit is entered under the Ledger Deposits and the check under Ledger Checks—these will be found in their proper columns. M—makes a deposit of $187.50, the amount being a check on a Cleveland bank; the deposit is entered in its proper column and the check in the column for Foreign Checks. H—comes with his check for $2,500, for which he wants the bank's draft on New York. The draft is given. The check is entered in the column for Ledger Checks and the credit for the New York bank is entered in the Exchange column. In this manner each transaction is recorded—many of them can be traced on the sheet.

When the work for the day is all in the totals from the various columns are carried to their proper place in the recapitulation, or settlement, for the day's work, as shown in the upper left-hand corner of the sheet. Comparison with the footings of the various columns and the amounts as shown in the settlement section will explain how it works out.

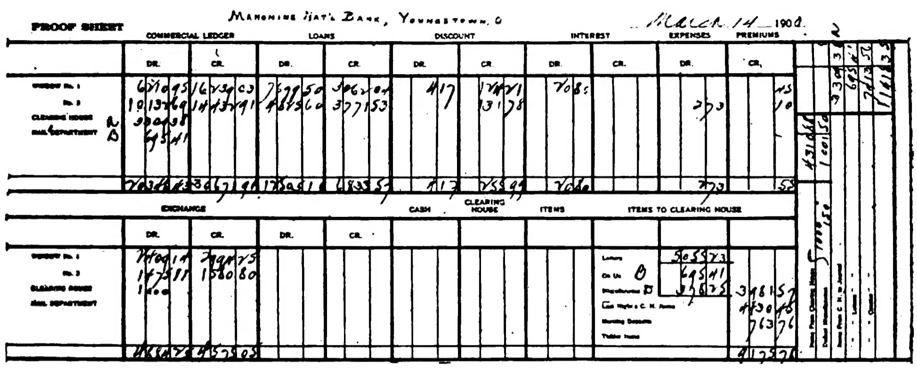
A sheet like this is kept at each window, and at the end of the day the totals of the two sheets are brought together on a proof-sheet, as shown in Form 2. Speaking of this sheet, Mr. Jacobs says: "At the close of the day's work the footings from the two tellers' sheets are carried to the proof-sheet and the debits and credits under the differ-


WINDOW No. 1
The Mahoning National Bank of Youngstown, O. March 14 1908
LEDGER CHECKS
LEDGER DEPOSITS
DEBIT
CREDIT
CASH
BILLS
GOLD
SILVER
CHANGE
CASH ITEMS
CLEARING HOUSE
LEDGER
LOANS
DISCOUNT
INTEREST
EXPENSE
PREMIUMS
EXCHANGE
CERTIFIED CHECKS
CLEARING HOUSE BALANCE
GENERAL LEDGER
CLEARING HOUSE
FOREIGN CHECKS
LOANS MADE
LOANS PAID
EXCHANGE
DISCOUNT

Form 1.

ent heads compared with the total debits and credits which the bookkeeper has on the journal; and if they do not agree, any errors can be located in the particular item. This, of course, saves checking everything except the item in which there is a difference. To illustrate: If the ledger checks do not correspond with the total debit of the commercial ledger on the proof-sheet, it occupies a little time during the day, but it saves a lot of time at the close of the day—at least at the close of some days.

The cashier of a certain bank heard of this system and sent one of his tellers to look into it with a view of adopting it. After he had looked into it casually he said: "If we had that in our bank we would have to have another



Form 2.

shows that the error is in that particular item, and then, of course, we have to check only the debits on the ledger until the error is found. This, as you see, saves a great deal of time each day in hunting for errors, and it amounts to about the same thing as making your errors in red ink."

The work of hunting for errors in the day's work is often a wearisome task when you do not know where to look for them except "somewhere in the work." Many precious hours have been thus spent. The method here presented man to run it." His remark showed he did not know what he was talking about, and also showed that he was in the class of those who are afraid of everything new in the methods of work—the men who are in a rut.

These sheets are arranged for a bank where two tellers received deposits and pay money. The same principle can be followed even though there be four or more tellers. Where there is but one teller the Window No. 1 sheet (Form 1) can be used to keep a record of all transactions.

POSTAL SAVINGS BANKS.

REGARDING the "imperative need" of postal savings banks, discovered by President Roosevelt, the "Springfield (Mass.) Republican" says:

The President says that postal savings banks "are imperatively needed for the benefit of the wageworkers and men of small means." Is that true of his own state of New York or of Massachusetts, for example? If it is not true as to such states as have established savings systems of a co-operative nature, then it cannot be true of the other states, for they can as well make similar provision for their own people. But if it is true of New York and Massachusetts, in what respect is the situation such as to make postal savings banks an imperative need? We ought to have the views of the President on this point. If our savings banks do not cover the whole field as fully as they should, it is within the power of the state to have the system extended through branch banks. * * * And if the President does not regard the savings banks as safe for depositors as would be the postal banks under a Government guaranty, the answer is that the states can do as well if they choose by providing a guaranty of their own.

THE VALUE OF TIME DEPOSITS.

By Oscar Newfang.

WITHIN the past six months New York has witnessed one of the severest financial disturbances in the history of American banking, resulting in the suspension of a prominent trust company and of a number of smaller trust companies and banks. What was the cause of this disaster, and how can its recurrence be prevented?

It will hardly be denied that the proximate cause of every bank panic (or "run on the bank") is distrust, that is, lack of assurance on the part of the depositors that they will be able to obtain their money when they want it. Sometimes this distrust is occasioned by the failure of a borrower who has a large line of credit; sometimes, as in the present instance, it arises from rumors—well or ill founded—of mismanagement of the affairs of the bank by its officers. Or it may owe its origin to an unusual depression in a line of business upon which the bank depends for most of its deposits. The bank affected may be perfectly solvent, but when widespread distrust exists, it is natural that prudent depositors should withdraw their balances as soon as possible. If the bank proves to be solvent, they lose nothing (except perhaps a little interest); if it fails, they have escaped. Other depositors, noticing unusual withdrawals, become panic-stricken and withdraw their balances, and thus a "run" is caused. Depositors of other banks become alarmed, because of affiliations with the bank in trouble, or for less plausible reasons; and so the panic spreads.

Underlying Cause of Distrust.

Underneath all these immediate causes, however, there is a deeper cause of the distrust which causes bank panics. In most panics the depositors are afraid not so much of losing their money altogether, as they are of not being able to obtain it when they want it. It is a small consolation to a depositor who has an obligation to meet to-day to be assured that his bank is perfectly solvent and that he will eventually get his money. He must have it now, or fail. Therefore, if there is the slightest doubt in his mind that the bank will meet its obligations *on demand,* he withdraws his balance.

Every business man knows that the banks invest a considerable part of their funds in time loans and discounts, thus making it impossible for them to pay all of their depositors on demand, should they all demand their money at once. In other words, the banker invests money which he has promised to return upon demand, in such a manner that it is beyond his power to fulfill that promise. This fact is at the bottom of all bank panics. It is for this reason that depositors are so easily panic-stricken by the mishaps, often slight or even imaginary, which befall a bank. Each depositor wants to get his money, at any rate; let the other man have his circulating capital tied up.

When, in other lines of business or in the affairs of life generally, a man makes a promise which he knows that he cannot perform, on the assumption that such performance will not be required, he is considered culpable. It is a hard saying, nevertheless it seems true, that the case of the banker is exactly a parallel one. He promises to return deposits on demand, and yet he invests them in time obligations; so that, no matter how good the paper which he has discounted, or how great an assurance he may have that the obligations will be met when due, he is not in a position to repay his depositors, should they all desire their money immediately.

I am fully aware that this statement will be met by the time-honored reply

that the depositors of a bank never do, in point of fact, all want their money at the same time; and that the banker soon learns by experience what portion of his funds he must keep in his till to meet current demands upon him, that is, to make good his promise to repay all depositors at their request. The first part of this assertion is disproved by the events of the past six months. What better definition of a bank panic can be given than this, that the depositors all want their money at the same time? And the suspensions of banks, because of runs made upon them, show that such banks, at least, had not learned by experience what portion of their deposits must be kept in their tills to insure safety. I say to insure safety; for it is not enough for a bank to be able to meet current demands upon it. To be safe, it must be able to meet unusual demands; it must, in short, be able to meet every possible demand that can legitimately be made upon it.

It will probably be objected that, if a banker attempted at all times and under ordinary circumstances to maintain a reserve sufficient to meet every possible demand that could be made upon him in time of panic, he might as well shut up shop; he could not make any money. It will be said that banking, from its very beginning, has consisted in receiving funds for safe custody and loaning out that portion of them which experience showed was not likely to be demanded under ordinary circumstances. It is granted that banking has generally been carried on in this manner; but, for that very reason, panics have been with us from the beginning also, and they will remain a menace to the business as long as it is so conducted. No amount of history can annihilate the fact, that a man cannot tie up trust funds in three or six months' loans, and yet be in a position to repay them instantly upon demand.

Removing the Cause of Bank Panics.

There seems to be but two methods by which this cause of bank panics can be removed and the banks enabled to meet every legitimate demand which can be made by the public. Either the bank's investments, apart from the investment of its own capital, must be such as are instantly convertible into cash, or its deposits must not be repayable on demand. It will be said that neither of these courses is feasible; that, if a bank never made any but demand loans secured by stock exchange collateral, or investments in perfectly convertible securities, it could not make money enough to pay expenses; and that it would be impossible for a commercial bank to hold its deposits, if it did not agree to repay them upon demand at all times, for the reason that the active merchant or manufacturer could not run the risk of having his funds tied up (say for sixty days, as the New York savings banks reserve the right to do) when he needed them most.

The solution of the difficulty seems to lie in a combination of the two methods mentioned. By offering a somewhat higher rate of interest for deposits repayable after a fixed period, it would seem entirely practicable to separate the active and the inactive funds in the community and to build up a line of deposits payable only at the end of six months or a year. It is evident that the banker could well afford to pay a higher rate of interest for such deposits, since they would be worth more to him than demand deposits. Deposits being thus separated into demand and fixed deposits, the bank would be perfectly safe in loaning the latter class on time, provided, of course, the maturities of the loans fell within the time when payment of the deposits could be demanded.

An illustration may make the writer's views clear. Suppose a national bank to have a capital and surplus of $4,000,000, demand deposits of $8,000,000 and fixed deposits of $4,000,000. If located in a central reserve city, it would be required by law to keep a reserve of $3,000,000. In order to be always in a position to repay upon demand its demand deposits, it must keep $5,000,000

more in the form of demand loans. Of the remaining $8,000,000 of its funds, $4,000,000 could be invested in discounts and time loans, with the maturities so arranged that funds would at all times be repaid in time to meet maturing fixed deposits. The remaining $4,000,000, being the bank's own capital, could be invested in any manner that the law allowed and the directors thought profitable. It will be noticed that a bank whose balance-sheet stood thus would be at all times in a position to meet every possible demand upon it. No panic could compel it to close its doors.

It is assumed in this illustration that the affairs of the bank are properly managed and that no undue losses are made. There has as yet been no scheme devised by which a bank could lose the funds entrusted to it by the public and yet have them.

It is worthy of remark that the plan outlined has been to some extent adopted by European banks, which offer a higher rate of interest for deposits payable "after notice." The operation of some of the banks of the Middle West, also, doing both a commercial and a savings business, is somewhat similar. It is to be hoped that the wisdom of this course will be seen by the banking fraternity generally, and that efforts will be made to remove one of the greatest dangers to our financial system. The writer is not so sanguine as to imagine that this can be done in a month or a year; but that it can and should eventually be accomplished, he does not doubt.

NEW COMPTROLLER OF THE CURRENCY.

ON April 18 the President sent to the Senate the name of Lawrence O. Murray of New York to succeed William B. Ridgely as Comptroller of the Currency, Mr. Ridgely having resigned to become president of the National Bank of Commerce of Kansas City, Mo.

Mr. Murray, when nominated as Comptroller, was filling the position of Assistant Secretary of the Department of Commerce and Labor. He had previously served as Deputy Comptroller of the Currency.

The new Comptroller took the oath of office on April 28.

Mr. Murray was born in Steuben county, New York, in 1864; was educated at Addison College, Niagara University and the Metropolis Law School of New York. He was admitted to the bar in New York city in 1893. He first entered the service of the Federal Government as private secretary to Assistant Secretary of the Treasury Curtis, and later was appointed chief of the organization division in the office of the Comptroller of the Currency. In 1898 he was appointed Deputy Comptroller of the Currency, which position he resigned in June, 1899, to accept the place of trust officer in the Trust Company of America of New York city. He remained with this company for three years and then became secretary and trust officer of the Central Trust Company of Illinois at Chicago. He resigned this position to accept appointment as assistant secretary of the Department of Commerce and Labor in January, 1904.

By reason of his former connection with the office of the Comptroller of the Currency and his practical knowledge of banking, he is well qualified for the discharge of the important duties which will devolve upon him as Comptroller.

A portrait of Comptroller Murray is presented elsewhere in this issue of the MAGAZINE.

PROPOSED CURRENCY COMMISSION.

In the House of Representatives on April 16 Mr. Fowler, chairman of the Banking and Currency Committee, introduced the following:

A bill for the creation of a commission to prepare and submit a measure that will give to the United States a scientific financial and currency system.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That a commission is hereby created, to consist of eleven members of the House of Representatives, to be appointed by the Speaker thereof; eleven members of the Senate, to be appointed by the presiding officer thereof, and twenty-one citizens, to be appointed by the President. All said appointments shall be made before July first, nineteen hundred and eight. The President in appointing said citizens as members of the commission shall choose six banking economists; five residents of the Atlantic coast region, a banker, a farmer, a representative of labor, a manufacturer, and a merchant, respectively; five residents of the Mississppi Valley, Gulf coast, and Great Lake regions, a banker, a farmer, a representative of labor, a manufacturer, and a merchant, respectively; and five residents of the Pacific coast region, a banker, a farmer, a representative of labor, a manufacturer, and a merchant, respectively. Any vacancy that may occur in the commission shall be filled by the authority who made the original appointment.

Sec. 2. That the commission shall investigate the financial methods and practices of the United States Government, and the banking and currency methods and practices prevailing in the United States; and shall, on the first day of December, nineteen hundred and eight, report to the President the results of such investigation, together with its recommendations of such legislation in the form of a bill as will give to the United States a scientific financial and currency system; and thereupon the President shall transmit the same to the Congress of the United States.

Sec. 3. That the commission shall organize itself as it may deem advisable for the successful prosecution of its work. It shall elect its officers. It shall have authority to call and examine witnesses, to employ experts, secretaries, clerks, and messengers, to rent offices, to procure stationery and printing, and to incur other expenses in the proper execution of its duties.

Sec. 4. That the commission in the pursuit of its investigations and the preparation of its report and the bill recommended by it is authorized to visit through its delegated members the various sections of the United States.

Sec. 5. That each member of the commission, except members of the House of Representatives and of the United States Senate, shall receive as compensation for his services the sum of five hundred dollars per month from July first, nineteen hundred and eight, until December first, nineteen hundred and eight.

Sec. 6. That all expenses in any way incurred by the commission or any member thereof in the pursuit of its investigations and the preparation of its report and bill shall be paid out of any money in the United States Treasury not otherwise appropriated, upon the certificate of its presiding officer countersigned by its secretary; but the sum so expended, including the salaries provided for in section five of this Act, shall not exceed two hundred and fifty thousand dollars.

Sec. 7. That this Act shall take effect immediately.

The Banking and Currency Committee has submitted the following report:

Your committee begs to say that since its organization under the Sixtieth Congress it has been steadily considering the financial and currency question and the various measures which have been referred to it. It has held extended hearings, and has had before it a large number of the leading banking economists of the country, representatives of commercial bodies and bankers from all sections, and has received communications from thousands of persons of all vocations and from every part of the United States. The overwhelming consensus of opinion so adduced was opposed to any makeshift or emergency legislation whatever, because wholly unnecessary, and in favor of the creation of a broad commission to prepare and submit a measure which would give to the United States a scientific financial and currency system.

As your committee, after mature deliberation, is in complete accord with these conclusions, it herewith presents to the House a bill for the creation of such commission.

Since Congress should not delegate its authority your committee has provided that Representatives and Senators shall constitute a majority of this commission.

Since finance is a science and its movements are controlled by laws certain in their operation, your committee has provided for the appointment of six banking economists on this commission.

Since all classes of our people, the farmer, the laborer, the manufacturer, the merchant, and the banker are equally interested in a sound financial system and a currency redeemable in gold and always responding to the ever-varying demands of trade, your committee has provided for the representation of these interests upon this commission, alloting them equally to the natural subdivisions of the country, so that all interests and all regions may have a part in its work.

It is the confident belief of your committee that the measure so prepared by such a commission should and will find ready acceptance in both Houses of Congress, meet the hearty approval of the people, conserve and maintain our prosperity, and establish the most efficient financial and currency system in the world.

The preceding bill as amended is made a part of the report.

The following report made to the Merchants' Association of New York by the Committee on Commercial Law has been approved on behalf of the board of directors by the executive committee:

Resolved: That The Merchants' Association of New York endorse the action of the Committee on Banking of the House of Representatives in laying on the table the Vreeland currency bill, which embodies most of the objectionable features of the Aldrich Bill, and does not offer a sound solution of the currency problem.

Your committee have not modified their belief that the provisions of the Fowler Bill, (H.R.12,677) should be embodied into a law. The fact that Congress is likely soon to adjourn, without having had time to consider fully such a measure, leads your committee, however, to the belief that an alternative proposition may be advisable, providing for investigation of the subject during the recess of Congress by a competent commission. To this end we recommend the adoption of the following resolutions:

Resolved: That in view of the difficulty of securing sound and comprehensive legislation in regard to the currency at the present session of Congress, The Merchants' Association of New York endorses the proposal for the appointment of a currency commission.

Resolved: That we believe that such a commission should consist of members of the two houses of Congress and of representatives of leading branches of the industrial and commercial activities of the country.

Resolved: That in the opinion of this committee, the bill for this purpose introduced by Congressman Fowler and reported by the Committee on Banking to the House of Representatives embodies the essential requirements above set forth.

RHODE ISLAND BANKING LAWS.

THROUGH the courtesy of Edward P. Metcalf, THE BANKERS MAGAZINE has been furnished with a copy of the Report of the Commission on the Banking Laws, made to the General Assembly of the State of Rhode Island and Providence Plantations. Following is the introduction to the act recommended by the commission:

The undersigned, being four of the five Commissioners appointed by the Governor, pursuant to a resolution of the General Assembly passed on the 23d day of April, 1907, entitled "Resolution creating a commission on the banking laws of the state," respectfully submit the following act for your consideration.

The members of the Commission believed it to be their duty to prepare a law that would reduce to a minimum the risk to which the savings of the people are subject, and have worked earnestly and conscientiously to that end; at the same time giving due consideration to the banking interests, that their proper functions might not be interfered with or their effectiveness to serve the community impaired.

The banking laws of other states, together with the laws of the United States governing national banks, have been carefully studied, and such provisions as they contained which were found to apply to the conditions existing here have been adopted.

It was realized how inadequate the present statutes are to cover the important phases of banking as now conducted, and it is therefore recommended that Chapters 178 and 179 of the General Laws be repealed,

as everything of importance contained in them has been embodied in the act now submitted.

As the laws governing trust companies are to be found only in the respective charters granted to them, it was deemed advisable, in order to define the powers of such companies, to adopt such provisions of those charters as are common to all of the trust companies. By section 2 of this act the present charters of the trust companies are altered or amended so as to conform to the provisions of the act. This is necessary if there is to be a general law which shall apply to all trust companies. Moreover, the powers of all banking institutions should be embodied in the general laws of the state, and not in private charters which are difficult of access to the general public.

The best companies, although few in number, are the depositories of three-quarters of the total deposits in all the state banks, and they present a problem difficult of solution. The original purpose of a trust company, as its name implies, was to administer trusts, and from this it was an easy transition to the banking business. These companies now conduct savings banks under the name of participation accounts, without any of the very limited restrictions which have heretofore applied to savings banks. This branch has become a most important feature of their business, and in preparing this act the Commission has endeavored to treat them in accordance with the nature of the business, regardless of the name under which such business is conducted. For this reason it is recommended that trust companies which accept participation deposits shall be obliged to invest such deposits in the same class of securities as is provided in this act for savings banks, and such securities shall be held for the sole benefit of depositors in such participation accounts.

While the trust companies in this state have been, with few exceptions, ably and conservatively managed, and have been of great benefit to the state, yet the unrestricted power to deal with the vast sums of money intrusted to them for safe keeping may be subject to abuse, and in the hands of irresponsible or self-seeking men may entail great loss and suffering upon the depositors. The segregation of the deposits in the trust companies, as provided for in section 55, is one of the important features of this act and has had the earnest and anxious consideration of the Commission, who, not relying entirely on their own judgment, have sought the advice of many of the prominent bankers and business and professional men of the state. It is in force in Connecticut, New Hampshire, and Michigan, and it has been recommended by a special commission appointed by Governor Hughes to investigate the laws pertaining to banks in New York. It has also been recommended by the bank commissioner of the Commonwealth of Massachusetts, and by the bank commissioner of the State of New York. The trust companies practically have this provision in their charters now with respect to the funds turned over to them in trust, and the Commission believes that the savings of the people, as represented by the deposits in the participation accounts, are fully as sacred as those trust funds and are entitled to as full protection. The Commission therefore feels amply justified in recommending that it be enacted into law.

It will be observed that the act provides a general incorporation law for banks, savings banks, and trust companies, under the supervision of a board of bank incorporation consisting of the bank commissioner, the general treasurer, and the attorney general. Before a bank is permitted to be organized the proposed incorporators must satisfy this board that public convenience is to be served, that the bank is being organized in good faith, and that the directors and officers are qualified to safely conduct its affairs. Large discretion is given to this board, and as two of the members thereof are directly subject to the people, such discretion is not likely to be abused.

The act prohibits the taking of deposits by any person, firm, or corporation not authorized by law to engage in the business of banking. The Commission believes that much harm has been done by irresponsible persons accepting deposits from the people and employing such deposits subject to all the risks of the business they may carry on. While it may be true that there are private bankers entirely responsible, in whose hands deposits would be safe, yet it is believed that all who wish to engage in banking should be brought within the scope of this act and made subject to the restrictions imposed on the legitimate banks.

The Commission has given careful thought to the character of the securities in which the deposits in the savings banks and the participation accounts in the trust companies should be invested. Investments allowed by other states have been closely studied, and in some instances incorporated in the act. Yet it is believed that local conditions justify a wider field than is permitted by many other states, and it is confidently believed that the deposits of the people will be amply safeguarded by the investments of the class recommended. While it is doubtless true that many investments not herein recommended may be perfectly safe, yet they belong to a class which as a rule is not considered safe. This is true

of many stocks; but as it was impossible to select and designate particular stocks, the Commission deemed it prudent to confine its recommendations to those investments which as a class have been proven to be safe. Five years are allowed to savings banks and trust companies in which to change their present investments to conform to the provisions of the act, and a longer time may be allowed if in the judgment of the bank commissioner a change can not then be made without loss.

In presenting the act the Commission realizes that it is not perfect, but the recommendations of the bank commissioner, based upon his experience, will indicate along what lines changes should be made in the future. For the present, the proposed act will afford a fair measure of safety in so far as safety can be assured by law.

EDWARD P. METCALF.
JOHN S. MURDOCK.
JOHN J. CONNLY.
WILLIAM H. THORNLEY.

BANKING AND CURRENCY COMMISSIONS.

AN argument from the experience of other countries was made recently by Mr. Edward D. Page, of the Merchants' Association of New York, in favor of referring the subject of currency reform to a commission large enough to represent the varied interests of the country. Mr. Page was speaking on behalf of the provisions of the Fowler Bill on this subject, which proposes a commission of eleven members of each house of Congress and twenty-one citizens, representing different factors in production and exchange. He said:

"It has been the practice abroad, when an important subject of this sort had to be dealt with, affecting in one way or another nearly every member of the community, to create a commission containing representatives of these different elements as well as experts and members of the legislative body. The select Committee on Banks of issue, whose work was the basis of the law now governing the Bank of England, consisted of twenty-six members, among whom were Sir Robert Peel, who gave his name to the law, George Grote, the well-known banker and historian of Greece, and Sir Thomas Freemantle. The Commission on the Depression of Trade and Industry in 1886 contained twenty-three members, of whom only about one-half were members of Parliament. The Royal Commission on Labor in 1892 contained twenty-seven members, among whom were Prof. Alfred Marshall, now the first living English economist, and Samuel Plimsoll. The Gold and Silver Commission in 1888 contained only thirteen members, but they were nearly all experts, representing the interests of British India as well as of the London financial community.

"Turning to other countries, the French Commission to study the monetary standard, appointed July 22, 1868, contained only seventeen persons, but in this, as in other cases where a Parliamentary government exists, it is not necessary to include so many members of the Chamber in order to secure the passage of what may be made a government measure.

"Among more recent commissions the full representation of different interests has been more marked than in earlier years. Thus the inquiry which became the basis of the monetary reform in Austria in 1892 was made through a commission of thirty-six persons for Austria, and twenty-one for Hungary, making a total of fifty-seven for the Dual Monarchy. The Japanese Commission, appointed by imperial ordinance on October 4, 1893, consisted of twenty-two members, appointed, according to the ordinance, 'from administrative officers of the higher class, the professors of the Imperial University, the members of the Imperial Diet, and the men noted for their experience and learning in monetary matters.' They appointed a sub-committee, which reported in July, 1896, to the Minister of Finance.

"The Berlin Silver Commission, which made one of the most valuable reports on monetary conditions in Germany, consisted of thirty-one members, of whom twelve were officials and nineteen private citizens.

"The Mexican Monetary Commission which adopted the gold standard in 1904 was also a large commission representing practically all important interests in the republic. I have not the exact number, but it is my impression that the full commission contained as many as fifty or sixty persons. It was considered essential there, as in Austria-Hungary and Japan, that all interests which had been affected by the rise and fall of prices and changes in the rate of interest, should be represented.

"The work done in all these cases was very thorough and the results, I think, are generally endorsed by experts and have proven of untold benefit to the countries where the new systems have been put in operation."

COMMERCE OF MEXICO.

THE budget of the Mexican ministry for the fiscal year ending June 30, 1909, estimates a surplus of $88,171 in United States currency, which is the money quoted in this article. Provision is made for increasing the salaries of all those Government employees whose salaries were not increased during the current year; also for the establishment of old-age pensions.

The total exports for the fiscal year show a balance of $7,131,000 over imports. But the national debt is almost all held abroad, and on that $11,679,000 interest is paid each year. Besides that the loans of several of the individual states and municipalities are held abroad, and the railroads remit over $12,000,000 annually to the foreign bond holders, and the banks also send large sums abroad in dividends. This difference between the amount received and the amount sent abroad is said by the financial minister to be made up by the continued investments of foreign money in the country. But the recent financial stringency lessened these investments, caused an increase in the interest rate, and a postponement of new undertakings, greatly to the injury of business generally.

Production of gold in the last fiscal year was to the value of $17,793,000, an increase of $78,000 over the preceding year. Silver was produced to the value of $37,515,000; but the exports of silver aggregated in value $48,597,000, which included Mexican coin to a large amount. The imports during the year 1906-7, as compared with those of 1905-6, were as follows:

Animal substances ...	$9,360,314	$7,941,734
Vegetable substances.	16,441,769	15,852,264
Mineral substances...	40,329,547	44,160,203
Textiles	12,895,588	11,024,720
Chemical products....	4,626,557	3,759,166
Spirits and liquors...	3,550,771	3,535,425
Paper, etc	2,933,064	2,646,364
Machinery	13,497,598	9,932,871
Vehicles	4,379,996	2,236,230
Arms and explosives..	1,901,789	2,006,390
Miscellaneous	4,649,337	3,969,054
Total	$113,566,270	$107,064,421

The most important increase in imports during the year was that of machinery and apparatus of all kinds, while the next in importance was of vehicles, due probably to the large orders for automobiles and heavy carts placed in foreign markets. The second secretary of the British legation in Mexico in reporting on the imports says: "The value of the goods purchased abroad must have exceeded the value of those imported in the previous year by at least $15,000,000, a value which has influenced the present financial situation of the country and added to the general stringency of money."

Silver was the product of most value exported during the year, and vegetable products were second in value, and other mineral products third. Vegetable products were exported to the value of over $34,000,000 American money, and animal products to the value of about $5,000,000, and manufactured products to the value of $1,829,000. The most important products of the Mexican mines next to gold and silver are copper and lead. In the last fiscal year about $10,000,000 in value of copper were exported, and $3,500,000 worth of copper ore; lead to the value of $1,500,000, and lead ore to the value of $330. Zinc was exported to the value of $1,000,000 and antimony to the value of nearly $700,000. Ixtle fibre, chicle (chewing gum), heniquen, garbanzos (chickpeas), and rubber are the principal factors in the vegetable products exported. The exports of coffee and tobacco both declined. In the case of coffee it was due to a bad crop, and in the case of tobacco there was an increased home consumption, but the manufacturers of cigars do not seem to be able to compete with the more celebrated Cuban brands. The export of undressed hides advanced from 10,800 tons in the previous year to 13,220 tons last year, with a value of $4,316,000. Exports of sugar increased from 5,072 tons in 1906 to 7,049 tons in 1907. The exports of cotton seed and cotton paste continue to develop, the aggregate in the fiscal year 1907 amounting to 21,929 tons of the value of $409,000. There was an increased export of palm-leaf hats, the total value last year reaching $370,000.

There was an increase of sixteen per cent. in the number of passengers carried

on the railways, and an increase of thirty per cent. in the value of the passenger traffic; and an increase of six per cent. in the number of tons of freight carried and of nine per cent. in the value of the freight.

There was a surplus of Government revenue over ordinary expenditure in the last fiscal year of $14,210,000, which was the largest during the last ten years. There was a decrease of $5,500,000 in non-dutiable imports and an increase of $11,679,000 in the dutiable imports as compared with the previous year. The decrease in non-dutiable imports is explained by the British secretary of legation by the fact that although $23,000,000 of gold and silver coin minted in the United States were imported into Mexico in the fiscal year 1907, yet this sum was far less than the amount minted and imported in the previous year.

MEXICAN BANKING LAWS.

REFORMS to be made in the method of operating banks in Mexico have been agreed upon by the representatives of the chartered banks of the country, and will be enacted into law by the National Congress. These proposed reforms were suggested by Jose Y. Limantour, Minister of Finance.

It is provided in the measure which Congress is asked to enact that the minimum capital of any kind of banking establishment shall be $1,000,000. The present law permits mortgage banks or banks of issue to start business with $500,000, and banks of deposit with a minimum capital of $200,000.

Banks will be preferred to any other creditors for the payment of credits guaranteed by collateral. Banks of issue will not be allowed to extend loans made on mortgage. Mortgages must be foreclosed within a year after the maturity of the loan. The existing banking law contains a provision which compels banks of issue to exchange periodically the bills of other banks which they may have in their possession, the balance to be paid in cash. The basis of the exchange will be fixed by the Government.

Mortgage banks will be allowed to acquire their own bonds and any other first-rate securities. The securities which shall be recognized by the Government as being of the highest class are as follows: Bonds issued by the Mexican Government or by any corporation under the guarantee of the Mexican Government; bonds issued by foreign governments which earn five per cent. or less on their market value; Mexican state or municipal bonds which earn six per cent or less on market value; bonds issued by chartered mortgage banks; shares and bonds issued by Mexican companies quoted on the Mexican or foreign markets, and which have paid dividends or interest during the five previous years.

One of the clauses of the reform measure is specially intended to afford greater security and protection of depositors. It prohibits mortgage banks from receiving deposits to an amount greater than twice the paid-up capital added to the reserve fund, and each bank must hold an amount in cash, gold or silver bars equal to one-third of its total deposits and another equal amount in first rate securities. The rest must be in paper capable of collection within six months. This means that the full amount of deposits will be guaranteed. This guarantee will by no means include the reserve fund which the mortgage banks are compelled to hold, as guarantee of the interest of the bonds in circulation.

Deposits in "banks of encouragement," as they are called, are not now protected under the law. The new measure provided that these institutions shall be compelled to hold cash, silver or gold bars equal to twenty per cent. of their total deposits; first-class securities that can be realized on speedily equal to sixty per cent. This guarantee will not include the fund intended to guarantee bonds in circulation.

Banks of issue are to be prohibited from working on their own account mines, mills or factories, or entering into partnership in any industrial or agricultural enterprises; they must not accept uncovered drafts or money orders, or open credits which may not be revoked at the bank's will. Shares or bonds of corporations must not be accepted to an amount greater than ten per cent. of the paid up capital, plus the reserve fund, securities issued or guaranteed by the Mexican Government not to be included in this provision.

The banks of discount will not be allowed to make discounts for a term longer than six months and these must be backed by at least two responsible firms or by collateral. These banks are also to be prohibited from borrowing money on mortgage on their real property and from giving credits that may be held in their favor as a guarantee for their debts. They are prohibited from entering into any insurance operations.

Depositors in all banks who have non-interest-paying accounts will have preference over all other credits, except the banknotes, the mortgage credits against the banks and unpaid taxes. The present law does not consider the depositors preferred creditors.

All banks must make monthly statements to the Government Department of Finance.

STEEL INDUSTRY IN MEXICO.

A SYNDICATE in which W. B. Ridgley, ex-Comptroller of the Currency, is one of the leading factors, projects the development of the famous Cerro de Mecado (mountain of iron) at Durango, Mexico, and the construction of a big open-hearth steel plant at the base of the mountain. The new concern, capitalized at $2,500,000 gold, plans the taking over of the Mexican National Iron and Steel plant, which owns the mountain, but whose small plant at Durango has been lying dormant for some time.

The new interests will expend about $1,000,000 in the construction of up-to-date works, which are intended to produce rails and all kinds of structural material now heavily protected by the Mexican tariff.

The Cerro de Mecado is said to consist of a solid mass of iron ore about a mile in length, nearly 2,000 feet wide, and rising above the plain around it from 400 to 650 feet. There are estimated to be no less than 600,000,000 tons of iron available.

The new syndicate intends to conduct an extensive export trade in connection with the domestic trade in Mexico.

SHORT LINE TO MEXICO.

A DEAL involving nearly 1,000,000 acres of land in Mexico has been consummated and the title passes to the syndicate representing Yoakum and the Frisco-Rock Island Railway system. The concession forms a long strip affording a right of way for the Frisco's extension to the City of Mexico.

The new line will cross the Monterey branch of the Mexican Central at Victoria and the San Luis Potosi line of the same road at Cardenas. The plan of the Yoakum interests is to extent the Frisco from Brady to Brownsville in Texas and with the Mexican extension secure the straightest and shortest line by over 400 miles from St. Louis and points east to Mexico City.

U. S. IMPORTS INTO MEXICO.

THE Mexican Government has issued a statement showing the value of imports during 1907. The sewing machines imported from the United States during the year had a value of $1,475,262. The value of the steam engines imported was $395,410; agricultural implements, $1,039,658, and automobiles, $1,259,614.

The American boots and shoes bought by Mexico in 1907 had a value of $3,325,684. The value of the American typewriting machines imported in the twelve months was $721,000.

MEXICAN RAILWAY CONSOLIDATION.

THE plan for the consolidation of the Mexican Central and the National Railway of Mexico has finally been completed. It will take the form of a holding company to be know as the National Railways of Mexico.

The new company has already been duly incorporated, and a temporary organization effected. The board, as at present constituted, comprises some of the most prominent men in the financial affairs of Mexico. Among them are Jose Y. Limantour, Minister of France; Pable Macedo, president of the Monetary Commission and the framer of the republic's new monetary system; Joaquim D. Casasus, president of the Banco Central Mexicano and formerly Ambassador to the United States, and Guillermo de Landa Y Escandon, Governor of the Federal District of Mexico. Mr. Macedo has been elected the temporary president.

Now Speyer & Co., Kuhn, Loeb & Co., Ladenburgh, Thalmann & Co., Hallgarten & Co., all of New York; Speyer Bros., of London, and the Bank Eur Handel Und Industrie and Berliner Handelsgescellschaft, of Berlin, as readjustment managers, announce the terms of the plan under which holders of the securities of the Mexican Central and of the National Railroad are asked to deposit the same in exchange for securities of the new corporation. The $615,000,000, United States currency, capitalization of the latter is divided as follows: Prior lien 4 1-2 per cent. sinking fund redeemable gold bonds, $225,000,000; general mortgage 4 per cent. sinking fund gold bonds, $160,000,000, which are unconditionally guaranteed both as to principal and interest by the Republic of Mexico through an endorsement on each bond. Non-cumulative 4 per cent. first preferred stock, $30,000,000; non-cumulative 5 per cent. second preferred stock $125,000,000, and common stock $75,000,000.

The circular of the bankers is addressed to the holders of all but three classes of the securities of the National Railroad and to all but one of those of the Mexican Central, with which it is not prepared to deal at present. Attention is called to the fact that according to the terms of the plan, the new company is to become liable for the

punctual payment of these four classes of securities, both as to principal and interest. As is generally known, the Mexican government, through ownership of stock, has for some five or six years practically controlled the National Railroad Co. of Mexico. It is now proposed that the new corporation shall acquire the securities and stocks of both companies according to the terms of the plan.

The latter provides that the different classes of deposited bonds and stocks of the two companies shall receive the following equivalents in the securities of the new corporation on a basis of each $1,000 par value for the old securities. For the Mexican Central priority 5 per cent. bonds there are offered $700 in 4 1-2 per cent. prior lien bonds and $475 of the guranteed 4 per cent. general mortgage bonds. The first mortgage 7 per cent. bonds and scrip, (assented) are to get $1,000 in the 4 1-2s of the new company. The consolidated 4s will receive $600 of the new 4 1-2s, $325 of the 4s and $75 in second preferred stock.

For the first consolidated incomes and scrip and also for the registered incomes and scrip, there will be given in each instance $1,100 in second preferred stock. Both the second consolidated incomes and the stock of the Mexican Central will be exchanged on a parity for second preferred.

The preferred stock in the National Railroad will be given $100 cash and $1,000 in first preferred stock. Holders of the second preferred will be offered $1,100 in second preferred stock, whereas the holders of the old common stock will be given $733 1-3 in second preferred and $333 1-3 in common stock. The deferred stock will be exchanged dollar for dollar for the new common stock.

Provision is made in the plan that the coupon due July 1 next on deposited priority five per cent. bonds; first mortgage seven per cent. bonds assented and consolidated mortgage 4s of the Mexican Central will, upon receipt by the readjustment managers, be paid to the holders of certificates of deposit. The new prior lien 4 1-2s will carry coupon for six months' interest due January 1, 1909, and the guaranteed general mortgage 4s will carry a coupon, stamped, representing three months' interest due October 1, 1908. The ten per cent. cash payment to be made on exchange of National Railroad preferred stock is to be made concurrently with the delivery of the new securities.

The cash requirements as stated in the plan will be met by the purchasers by the bankers for their own account of $10,000,000 of the new 4 1-2s and $6,750,000 of the guaranteed general 4s.

PROGRESS OF MEXICAN ENTERPRISE.

PRESIDENT DIAZ, in his message to the Mexican Congress on April 1 gives the following information regarding industrial progress in Mexico:

The additions to the railways under Federal jurisdiction have aggregated 462 kilometers (kilometer = 0.62 mile), the total length of those railways at the present time being 18,386 kilometers, and adding the length of railways under the jurisdiction of the states and private lines, which is 4,436 kilometers, the total length of the nation's system of railways is found to be 22,822 kilometers.

The receipts of the Tehuantepec National Railway have continued to grow, due to the new freight traffic. From July to December, 1906, the earnings of the line were $562,000, and in the corresponding period of 1907 they amounted to $1,972,000, showing an increase of $1,410,000.

During the first half of the present fiscal year, 25 new post offices, 99 agencies, and 10 ambulatory offices were opened, and the total number of offices on December 31 last was 2,909.

The total number of pieces of mail matter of all kinds handled in the first half of the present fiscal year was 90,000,000, against 86,000,000 in the corresponding period of the preceding fiscal year.

During the first half of the current fiscal year there was no intermission in the efforts to improve the Federal telegraph system. The new lines erected totaled 868 kilometers, but the net increase was only 454 kilometers, as some lines in various parts of the country were abandoned. Seven new offices were opened, and three were discontinued. The volume of messages handled and the receipts show an increase of 7½ per cent.

GUAYULE RUBBER EXTERMINATION.

CONSUL CLARENCE A. MILLER, of Matamoras, quotes a Mexican prediction that, unless something is done by the caucho rubber factory interests, guayule will be exterminated in Mexico in less than five years. The statement continues:

Many caucho factories have been profitably established, one of which, with a capital of $12,000, in one year produced $700,000 worth of caucho rubber.

A species of guayule produced abundantly in Chihuahua and Coahuila gives 10 per cent. pure caucho. Ten tons of the guayule, roots and all, makes 1 ton of caucho, which sells for a trifle over $2,000, the guayule costing about $100. Good profits are made when only 4 per cent. is obtained. The residue which most producers throw away has been found to contain a splendid grade of caucho, containing as much as 4 per cent., and for this reason a German method has been introduced which has proved to be superior to others. The Indians formerly used a very primitive method, which con-

sisted of grinding the plant between two stones under a stream of water in order to separate the elastic material for the manufacture of balls. The children also used the plant for chewing gum.

IMPROVED STEAMSHIP FACILITIES ON SOUTH AMERICAN COAST.

CONSUL ALFRED A. WINSLOW reports from Valparaiso that the Chilean Government is seriously studying the question of better and faster steamship connection with Panama, the following details showing the improved transportation facilities which will probably be afforded American exporters to Chile.

A bill has been introduced into Congress empowering the President of Chile to enter into contract with a steamship company for a period of five years for a line of steamers to make the trip within eight days, at a cost to the Government of not to exceed £20,000 (approximately $100,000) per year.

Should such a new steamship line be established, it would materially shorten the time for mail and passengers from New York to Buenos Aires and Montevideo, via the Trans-Andean Railway from Valparaiso to Buenos Aires, during six months of the year at present, and, when the Andean tunnel is completed, for the entire year. An examination of the map will reveal the fact that the above-named cities are much nearer New York via Valparaiso and Panama than via the Atlantic. Valparaiso is almost directly south of Pittsburg, and shipping need not vary much more than 500 miles from a direct southern line to reach this city.

GENERAL NOTES.

—Brazil's foreign trade shows a steady increase. The imports have risen from $138,000,000 in 1905 to $196,000,000 in 1907, and the exports from $208,000,000 to $262,000,000.

—There is said to be a splendid opportunity for the sale of American agricultural implements in Brazil. With Rio de Janeiro as a base, a population of about 8,000,000 can be readily reached by rail.

—As shown by the message of President Diaz to the Mexican Congress, on April 1, the quantity of coin in circulation in the country has been continually on the increase. In the latest six-monthly periods $9,000,000 in gold and $3,000,000 in silver coins of $1 and subsidiary coins have been struck, and adding to these coins the nickel and bronze pieces the total quantity of the new currency put into circulation increased from $98,000,000 to more than $111,000,000, and during the same period no considerable amount of the national currency left the country, but on the contrary nearly 3,000,000 hard pesos returned from abroad.

—Monterey, capital of the State of Nuevo Leon in Northern Mexico, is sometimes called the "Chicago of Mexico." Its population is about 90,000, and the city is one of the largest distributing points in the Republic.

—The number of children in the primary schools of Paraguay in 1907 increased 10,000 over the number enrolled in 1906.

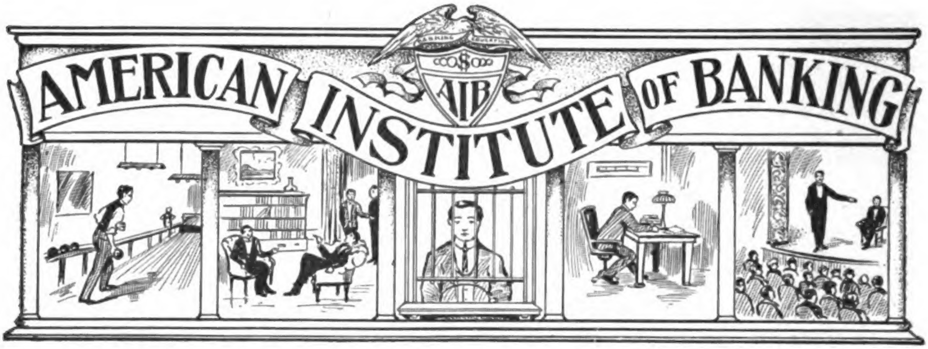
—Five colleges are maintained throughout the Republic, corresponding in grade to the high schools of the United States. In these colleges there are sixty-two professors and 615 students.

—In 1910 the National Association of American School Superintendents will meet in the City of Mexico, on a date coinciding with a meeting of Mexican educators.

NEW ECONOMIC PUBLICATION.

THE first number of "The Economic Bulletin," published by the American Economic Association, has made its appearance. It is a quarterly journal, containing from 80 to 100 pages, and devoted largely to bank reviews in the field of economics and the allied social sciences. There is also in each number a classified and carefully annotated list of recent books, magazine articles, and book reviews. "The Bulletin" represents the first systematic endeavor to provide a complete critical bibliography of current economic literature, and its object is to serve as a guide to students and men of affairs in the impartial study of economic principles and problems. It is believed that "The Bulletin" will also prove of value to libraries in the selection of books in the social sciences.

"The Bulletin" is sent regularly to all members of the American Economic Association and to all subscribers for the Association's publications, including nearly two hundred universities and public libraries. The membership of the American Economic Association comprises not only the professors and teachers of economics in nearly all the universities and colleges of the United States, Canada and Great Britain, but also an even larger number of business men, lawyers, journalists and others interested in the scientific study of economic principles and problems.



THIS department is conducted in the interests of the American Institute of Banking. From time to time articles of special value to members of the Institute will appear here and it is intended to publish as much news of the various chapters as possible. It is hoped that each chapter will appoint someone whose regular duty it shall be to correspond with THE BANKERS MAGAZINE for this purpose.

Group and individual photographs of officers and members, photographs of chapter rooms, accounts of banquets, debates, speeches and chapter progress are desired and practical suggestions and discussions are solicited from all members of the Institute. Manuscripts and photographs must reach us by the 25th of the month to be in time for the following month's issue.

MAKING BANKERS.

By George E. Allen, Secretary American Institute of Banking.

THE American Institute of Banking is in its eighth year and has over eight thousand active members. Counting honorary and associate members, the total is about nine thousand. No sacrifice of quality to quantity has ever been made. No step backward has ever been taken. Nothing has ever been done to impair the dignity and usefulness of the Institute as an educational institution. The American Bankers Association has never been embarrassed by any foolish pranks of its favorite child.

The objects of the Institute as announced in its literature are to promote the education of bankers in banking through the organization of chapters and alliances with schools of finance and law, and to fix and maintain a uniform standard of banking education by means of official examinations and the issuance of certificates. A Correspondence Chapter of the same general character and Institute standing as city chapters includes in its membership country bank officers and employees and home students in cities. Chapter organization is thus made universal.

Since its organization in 1900 the Institute has been governed by a Board of Trustees composed largely of representative bank officers, but arrangements have been made by which the management will be turned over to the chapters at the convention to be held in Providence next July. A few doubts have been expressed regarding the ability of the chapters to govern themselves but the question resolves itself into one of these two certainties: (1) If the chapters are capable of self-government

W. G. MEADER

Member of Debate Team, Providence Chapter.

they are entitled to it and everybody will wish them long life and prosperity; (2) If the chapters are not capable of self-government the quicker the employing bankers find it out the better.

The Educational Work.

The general educational work of city chapters consists of lectures and discussions interspersed with more or less entertainment intended to diffuse knowledge of banking and kindred subjects and to provide practice in rhetoric and parliamentary procedure. Chapter administration is of particular value in developing executive ability and personality. It is a significant fact that three-fourths of successful chapter executives have been promoted to official positions in banks, while nobody who has failed in chapter management has, so far at least as the writer knows, been made a bank executive. In city chapters education of scholastic character is provided in courses of study conducted by chapters in alliance with schools of finance and law consisting of text-books and collateral instruction covering the subjects of Practical Banking, Political Economy, Business Law and Negotiable Instruments.

The work of the correspondence chapter was recently set forth by President Fred I. Kent in a letter to the State Vice-Presidents who constitute the governing body of the organization in which the ways and means of reaching country bank officers and employees are explained. The Correspondence Chapter has for two years been developing educational facilities and can now meet the needs of various classes of students from such as are willing to devote three years

NARRAGANSETT HOTEL, PROVIDENCE
Where the Convention will be held July 23d — 25th.

to systematic study down to the most casual readers of general financial literature and from the student who is able and willing to pay a tuition fee of $100 down to the one who looks twice at $2.

The Correspondence Chapter.

Mr. Kent refers to the fact that the Institute was organized under the auspices of the American Bankers Association for business and ethical reasons. In the working out of the project it proved to be a very simple matter to interest bank men in the larger cities, and by means of study courses and regular gatherings of the various city chapters, to bring about a growing and useful organization. Because of the fact that bankers in the smaller cities and country places cannot take advantage of the various benefits offered by such chapters, it has been somewhat harder to reach them and carry out the wishes of the American Bankers Association, which wants to have the Institute of benefit to all. The Correspondence Chapter was organized particularly for bank men who find it impossible to associate themselves with any of the city chapters and it will be carried on as the interests of such members seem to demand. While the city chapters as a rule contain a preponderance of bank clerks over bank officers, the Correspondence

FRANKLIN L. HALL
Member of Debate Team, Providence Chapter.

Chapter is made up largely of officers of out of town banks, either bank officers or bank clerks being eligible to join. The dues are $2 per year, which includes subscription to the Bulletin.

As it is impossible for the members of the Correspondence Chapter to take the university courses that have been introduced in many of the city chapters, the Institute has made special arrangements with the

CHAS. L. EDDY
Member of Debate Team, Providence Chapter.

International Correspondence Schools of Scranton, Pennsylvania, which have agreed to make reduced rates to Institute members. The course offered by these Schools on Banks and Banking has been carefully examined by a committee from the Board of Trustees of the Institute and the report shows that they have been carefully and correctly prepared.

It seems that the study of rhetoric has become quite a fad among bank men recently, and as it is of real value to bankers, the Institute has had prepared a special course in this study for the benefit of the Correspondence Chapter. This course is not only extremely interesting but thoroughly practical as well. The method of development is such that any banker interested at all in such matters could get much pleasure and profit from taking the course.

A Broad Training.

In introducing the study of rhetoric the fact is emphasized that banking and citizenship are inseparable and no banker is equal to his opportunities who is not influential in public affairs. To be influential he must not only have ideas but must communicate his ideas to others. He must be able to write and talk. To develop such bankers city chapters are conducting classes in rhetoric, and the Correspondence Chapter provides a similar course of study consisting of a series of instructional let-

ters, in answer to which practical literary composition is required. The work of students thus produced is corrected and returned with such criticisms as each case may suggest. The theory of learning by doing is thus strenuously practiced. The first letter in the series showing the character of instruction will be sent free upon application to the Correspondence Chapter of the American Institute of Banking.

Membership in the Correspondence Chapter includes subscription to the Bulletin of the Institute, which is the official medium of inter-communication. The Bulletin contains study courses in serial form and departments of questions and answers in banking and economics and commercial law which any member of any chapter is privileged to utilize. In connection with the serial study courses conducted through the Bulletin are test questions available for informal quizzes in individual institutions. The best papers prepared by chapter members and others are published in the Bulletin for the benefit of all, which makes it a sort of clearing house of Institute work.

E. D. ARMSTRONG
Alternate, Providence Debate Team.

PHILADELPHIA CHAPTER MAKES ANOTHER SPECIAL DISBURSEMENT.

FOLLOWING close on the heels of the splendid treat in the way of the Sixth Annual Banquet on March 28 at the Continental Hotel, the Board of Governors of the Quaker City Chapter of American Institute of Banking again let its members in on the ground floor on one of the best things ever offered to the junior bankers of that city, to wit; the program offered at the April meeting.

The first speaker of the evening, Richard H. Edmonds, editor of the "Manufacturer's Record" of Baltimore, in discussing the material progress of the South under the topic of "A Talk about the South," said in part:

It is a matter of historical interest that probably no other state in the Union has shown a deeper appreciation of the resources and possibilities of the South than Pennsylvania. Nearly 25 years ago the late Judge Kelly, familiarly known as "Pig Iron Kelly," said: "The development of the South means the enrichment of the nation."

A number of the great railroad and industrial organizations of the South came into existence through the farseeing and broad financial ability of leading Philadelphia capitalists. Up to the early part of the nineteenth century the energy and the thought of the leaders of the South were largely given to industrial affairs. When the invention of the cotton gin opened up a new epoch in the world's cotton trade. the profit in cotton production was so great, capital and energy naturally sought that field as the most profitable in the country. to the exclusion of industrial interests in the South. The development of the cotton industry was the greatest achievement of the business world during the first half of the nineteenth century.

The vast cotton industry of the world, next to iron and steel in the value of its annual product, is dependent upon the South for nearly three-fourths of its raw material. The cotton crop of the South is annually worth about \$800,000,000. Europe pays to this section \$500,000,000 a year for its supply of this staple, an amount largely in excess of the annual gold production of the world. There is no other country on earth upon which Nature has poured its blessings with such a lavish hand. There is no other land in which the raw materials of coal and iron and cotton and lumber and oil, as the foundation of all the vast manufacturing interests of the world, can be found except in the South. It has the raw materials with which to duplicate the iron and steel industry of the country, the coal production of the world, and cotton manufacturing interests of Europe and America, and at the same time agricultural advantages which make it possible for the South to more than duplicate in value of product the total agricultural output of the United States of to-day. The development of such a region presents to the surplus capital and energy of the East the most inviting field to be found anywhere in this land, or in others, and the development of the South, with the abounding prosperity which will follow the utilization of its vast resources, will fulfill the statement of Judge Kelly that the development of that section means the broadening of the national spirit and the enrichment of the life of the nation.

The Interstate Commerce Commission.

The second speaker, William A. Glasgow, Jr., Special Counsel of the Interstate Commerce Commission, spoke on "Duties and Responsibilities of the Interstate Commerce Commission," in part as follows:

In presenting briefly to you the duties and responsibilities of the Interstate Commerce Commission, I shall do so only with reference to the most important of the common carriers over which that Commission has jurisdiction, to wit, the great carriers by steam upon the railroads of the country which have been and now are the most important factor in our national progress, and the throb of whose locomotives mark the pulse-beat from the very heart of the nation's prosperity and development. There has never been a time when the people of the United States stood so in need of the great carriers serving them; there has never been a time when the great carriers stood so in need of the approval and sympathy of the public as now; and this mutual dependence emphasizes the importance for better understanding on the part of the public of the conditions under which service is rendered; that expeditious and safe service can only be furnished upon a basis of liberal compensation and that the public interest cannot be served by legislative or individual NAGGING of the great instruments upon which we must depend for the transportation of persons and property. The carriers of the country should recognize that their business as great public servants must be conducted in the broad light of publicity, and that railroads, as individuals, should carry on their business under the protection of and subject to the laws of the land, and with due respect to the rights of others.

This is the only proper end to be reached by governmental regulation of carriers, and when the carriers manifest a purpose to recognize and live fairly under the laws of the land, then they should have the aid, encouragement, and cordial sympathy of the public in meeting and overcoming the difficulties which often confront them.

In my judgment we are now approaching, and are just on the threshold of this era of mutual understanding, and no instrument has been so effectual in bringing about this condition as the Interstate Commerce Commission.

Public Events.

The intellectual feast of the evening was completed by a brief review of the leading events of the world during the past month by one who may be truthfully termed the "pride of the Philadelphia Chapter," E. J. Cattell, Corresponding Secretary of the Atlantic Deeper Waterways Commission. The event upon which Mr. Cattell laid particular emphasis was the "Awakening of China," and he called the attention of his hearers to the following facts:

The Chinese Empire covers an area almost if not equal in extent to the whole North American continent. In one province she has a population greater than that of the whole United States. He said that the Chinese were not only doers of great things, as evidenced by the great Chinese Wall, great canals, etc., but that they were great soldiers when properly trained and equipped, and that their leading statesmen and scholars ranked as high as any in the world. Moreover, that many of the so-called modern inventions such as the telephone, telegraph, printing and chemical discoveries, wood, iron and steel construction, of which so much has been claimed by western nations, these and many other marvels, actually existed in somewhat different forms for centuries in the celestial kingdom.

After dwelling on the wonderful work of John Hay in opening up and preserving the "open door" in China and thus preventing its partitioning by other nations, Mr. Cattell said that the greatest change of all was the revolution in public views by which the Chinese are slowly but surely giving up the worship of the dead and turning their eyes to the possibilities of the living, and that in this great awakening America will be the greatest gainer in that the Orient would soon be the United States' biggest customer.

Question: "How was the meeting received by the young bankers of Philadelphia?"

Answer: "Same old story, 'Standing Room Only,' overflow meeting, *'Nuff ced.'*"

E. Leslie Allison,
Chairman Press Committee.

Philadelphia, April 7, 1908.

MOCK CONVENTION AT CHICAGO.

George R. Martin sends the following interesting account of a mock political convention held by Chicago Chapter on March 24:

President Ellsworth, temporary chairman of the convention, called the assemblage to order and Benjamin Bellows, temporary secretary, read the call. Upon the conclusion of the chairman's speech, he called for a report from the credéntial committee—Benjamin Bellows and Simon Barlow. There was only one contesting delegation—that from New York. The Root men, under the chairmanship of C. Frank Spearin, finally agreed to compromise, dividing evenly with the Hughes' faction, headed by Charles W. Ross. Each of these later presented their respective candidates for nomination for President before the convention.

Martin F. Smith then submitted the report of the Committee on Rules and Permanent Organization, choosing the following:

Permanent Chairman—Craig B. Hazlewood of Utah.

Permanent Secretary—Benjamin Bellows of South Carolina.

Sergeant-at-arms—Arthur Briggs of Lincoln, Nebraska.

The report was approved and Temporary Chairman Ellsworth appointed George H. Tomlinson, E. M. Tourtelot and W. F. Rowe to escort the permanent chairman to his place at the desk.

Thomas P. Kellogg, chairman of the Alabama delegation, read the report of the

Committee on Resolutions. It is unfortunate that his lucid and thorough discussion of the issues now before the public can not be given more space in this article. Briefly, it had planks advocating tariff revision, prohibition, currency reform, further railroad rate regulation, an employer's liability act, government supervision of concerns doing interstate business—endorsed the present administration and made the assertion that the continued property of the country depended upon a continuance of the Roosevelt policies. Duncan J. Bellows made the minority report, attacking many of the above planks in energetic fashion.

Chairman Hazelwood then instructed the Secretary to call the roll of the states for nominations for president. The writer regrets that in the turmoil which followed he was unable to keep an accurate record of all the speeches made in seconding nominations.

Many Nominees.

Elihu Root was nominated by C. Frank Spearin, of the New York delegation,—seconded by F. E. Musgrove, from New Jersey. Governor Hughes by Charles W. Ross, of New York,—seconding speeches by Thomas P. Kellogg, Alabama; George M. Tomlinson, Massachusetts; W. R. Neel, Rhode Island; and J. W. Brown, Michigan. Fairbanks, by Paul E. Zimmerman, Indiana, seconded by Thomas J. Nugent, from Connecticut and Charles Alison, Colorado. Cannon, by Ralph C. Spaulding, from Illinois, seconded by Geo. I. Brown, from Texas. Taft, by Duncan G. Bellows, Ohio, seconded by Geo. Jackson, Oklahoma, and R. C. Bailey, Missouri. LaFollette, by W. L. Johnson, Wisconsin, seconded by Geo. R. Martin, Kentucky; R. H. Berry, Minnesota; and H. T. Smale, Louisiana. Here the LaFollette supporters sprang a surprise,—two of the men in the Texas delegation arose and sang LaFollette songs. That they were appreciated was evidenced by the noisy encores. J. Pierpont Morgan was nominated by R. A. Golden, of Kansas, seconded by R. G. Gadsden, from Tennessee. Philander C. Knox, by Simon Barlow, Pennsylvania, seconded by R. R. Sleeper, from Arizona.

Some of the speeches were long,—some short,—the hands of the clock were fast approaching the eleventh hour and many of the delegates were feeling the effects of the nervous strain. Fred W. Ellsworth, chairman of the Virginia delegation, arose and fairly shouted the following telegram:

"White House, Tuesday, Mar. 24, '08.
8.55 P. M.
Secretary, Nat'l Rep. Con.,
Booth Hall, Chicago.

In spite of canards to the contrary, Mr. Roosevelt wishes to state that he will accept the nomination, if it seems necessary to the cause of good government.

Loeb, *Sec'y.*"

Roosevelt Nominated.

The gentleman from Virginia attempted to speak further, but his efforts proved futile,—the stampeae was on. He then moved that the nomination of Roosevelt be made unanimous, and E. J. Goit, for Arkansas, seconded the motion with a vim. At this point, Charles W. Ross, from New York, demanded the floor,—reading a telegram which he claimed was received from Roosevelt himself. "Have reconsidered my former wire and urge all my friends to support Taft." Again the gentleman from Virginia was heard:—"I demand the floor to read a clause from the original telegram which I omitted for obvious reasons—'Pay no attention to subsequent telegrams which may be received, as they will be spurious. Loeb, Sec'y.' "

Cries of "Roosevelt!—Roosevelt!—Roosevelt!" rang through the hall, with delegation after delegation deserting their favorite sons to join in a band-wagon rush for the strenuous Theodore. Roosevelt was finally nominated by acclamation.

And as the thickening shadows, which precede the coming of the dawn, closed over the scene of riotous confusion, the lingering echoing notes of the "cow bells" were wafted on the breezes, and fell like soothing balm upon the ears of the exhausted delegates, warning them that the evening's frolic was over and another day of strenuous toil was almost upon them.

GENERAL MEETING

Chicago Chapter, American Institute of Banking

Booth Hall, Northwestern University Bldg.

TUESDAY, APRIL 14, EIGHT O'CLOCK

Fifth Lecture by
JAMES I. ENNIS
Attorney at Law
on
"BANK CHECKS"

The Amendment proposed at the last meeting will be acted upon at this meeting.

Charles Pierce Burton
"Business Literature and Banking"

Illinois Trust and Savings Bank Quartet
Anton Woodrich, 1st Tenor
F. E. Musgrove, 2d Tenor
G. H. Tomlinson, 1st Bass
E. G. Goldman, 2d Bass

RECEPTION COMMITTEE
RALPH D. SPAULDING, Chairman, Merchants Loan & Trust Co.
G. A. DIBOS, Railway Exchange Bank
J. L. PHILLIPS, South Chicago Savings
F. S. WILLIAMS, Royal Trust Company
JAMES FINAN, West Side Trust & Savings Bank

Winners in Prize Paper Contest will be announced at this meeting.

Next Regular Meeting of Debating Society, Tuesday, Apr. 21, 1908

A Chicago Notice.

CHICAGO NEWS.

On April 7 the athletes of the Chicago banks contested for supremacy in the indoor meet given under the auspices of the Chicago Chapter, American

Institute of Banking, at Bartlett Gymnasium (Chicago University). The First National Bank captured first place with 22 points, Central Trust Co., second with 13, and the Bankers National third with 10. The other banks finished as follows:

Corn Exchange National	8 points
National City Bank	6 "
Western Trust & Savings Bank	6 "
Commercial National	5 "
Illinois Trust & Savings	3 "

and Continental National Hibernian Banking Association, Hamilton National, H. Claussenius & Co., and H. B. Lusch & Co., each 1 point. The meet was a very enthusiastic and well attended affair with some splendid records hung up for next year's bout. The spirit is encouraging and warrants making an annual function of it —this one being the second annual.

LESTER B. BRADY,
Chairman Press Committee.

CHICAGO, April 13, 1908.

RICHMOND ACTIVITIES.

THE March meeting of the Richmond Chapter was held in its quarters in Fraternity Hall on Friday, the 13th, at which a question of much local importance was discussed in debate; namely, the advisability of making Richmond a reserve city. The original list of reserve cities included Richmond, but the privilege thus accorded was never accepted by the banks for probably very good reasons and we are now classified as a non-reserve city. But both the steadily increasing local development and trade with the South seems to have created a sentiment in favor of becoming a reserve city and resulted in a closer study of present conditions and the consequent future prospects.

The question as debated read thus: "Resolved, That it is advantageous to the banks of this city that Richmond be designated a reserve city." For the affirmative were A. L. Archer, Planters National, and G. H. Bates, National Bank of Virginia, and for the negative C. V. Blackburn, Planters National, and H. G. Proctor, National Bank of Virginia. Three men were to uphold each side, but it so happened that each team lost a speaker at the last moment. However, the work and time given by the speakers in preparation of their remarks was rewarded by a lively interest on the part of the audience which more than covered the loss in speakers. The decision was awarded to the negative. This is the second debate we have attempted in a short time and both have resulted so well that we are contemplating a permanent debating class or club.

First Annual Banquet.

Members of the Chapter who take an active interest in its affairs are much pleased at the success of our first annual banquet held at the Jefferson Hotel on March 27, on the spot where the Institute was founded seven years ago at the convention of the American Bankers Association. Among the guests were a number of prominent bankers from Norfolk, Petersburg, Newport News and the state at large, besides about fifty officers and directors of this city—the total number present being about two hundred and thirty-five. Our president, W. W. Neale, presided and introduced the toastmaster, W. M. Addison, cashier of the National Bank of Virginia and past president of the Richmond Chapter, who brought forth much applause when he stated in the course of his remarks that in the recent panic Richmond's financial standing had been "surpassed by none and equaled by few." He then introduced in very graceful terms the principal speaker, Congressman Fowler, of New Jersey, who presented his views on the currency question in a speech bristling with unanswerable arguments, declaring this subject to be the most important, not only to the American people but to the civilized world. He endeavored to demonstrate that if we had had a currency such as he advocates at the outbreak of the panic last fall, every demand for cash could have been met and the loss of confidence quickly restored. The bankers present gave careful consideration to his plan and a number of them have endorsed it and have taken the matter up with our Congressmen in an effort to have the Aldrich bill defeated and the Fowler bill passed.

Following Mr. Fowler, Henry L. Cabell, of Branch Cabell & Co. of this city, in a highly polished speech full of encouragement discussed "Banking as a Profession for Young Men."

The Solid South.

The toastmaster then introduced the Hon. A, J. Montague, Ex-Governor of Virginia, who spoke on "The South" and because of the lateness of the hour touched only one phase of the subject—the political aspect. He declared that out of the entire Negro question from the time he came from Africa to America, the Negro was the only man who profited by it; and, that being a superior race, it was our duty to make him better. Mr. Montague further declared

that the interests of the South would best be subserved by two strong political parties; that the South had been blindly Democratic on account of the so-called Negro problem, which having been eliminated, few could state reasons for being party men.

John Garland Pollard was the last speaker, his subject being "The Paramount Issue." He expressed his gratification at being requested to address a body of bankers as it furnished a long-desired opportunity for revenge and in a highly humorous strain proceeded to "get even" with the men who had coldly refused his request for a loan because "his balance did not justify it."

At our next regular meeting on the second Friday in April Mr. William L. Royall will address the Chapter on the currency question.

H. G. PROCTOR, *Secretary.*

RICHMOND, VA., April 6, 1908.

HISTORY OF THE ST. JOSEPH CHAPTER.

VIEWING our chapter from a retrospective standpoint, we find its history is similar to the early history of all organizations—it has had its "ups and downs."

It was first organized as a temporary, then a permanent and local organization.

C. L. HUTCHISON
President, St. Joseph Chapter.

The banquet we will have April 25th is to celebrate the event of our affiliation with the American Institute of Banking. On March 20 a list of one hundred names was forwarded to Secretary Allen for enrollment.

Our association was organized as a local organization in January, 1907. As those few active members, who have been identified with its growth and success, look backward, they feel that their efforts have been rewarded.

There must be a unanimity of action in the future.

I. W. STRICKLER
Secretary, St. Joseph Chapter.

Our association has had some splendid meetings; we have had debates and adding machine contests, talks and papers have been made and read before our members; in short, we have had a preparatory course for the proper fitness and qualifications for admission as a chapter to the institute. We believe the clothes "fit."

We feel that we are now in a position, as we are now a chapter, to interest our members along lines of "a higher education," along intellectual lines, in banking.

It is the ultimate wish and desire of the officers and members of the executive council to have a "home" of their own. A home that will be open at all times to our membership and visitors, with an adequate library and reading rooms.

The St. Joseph chapter is looking forward to greater achievements in the future.

We are optimistic.

C. L. HUTCHISON, *President.*

April 20, 1908.

St. Joseph Chapter Souvenir.

The St. Joseph chapter will publish a souvenir booklet on the occasion of its first annual banquet, and we wish every chapter in the United States to receive several

copies and become better acquainted with our chapter, and also the prosperous up-to-date city located in the richest agricultural belt of the United States. A city whose banking institutions are known from coast to coast for their conservative methods, and to substantiate this they enjoy the record of no St. Joseph depositor ever having lost a dollar by reason of a bank failure.

Those wishing copies will please drop me a card, and I will gladly forward several copies.

I. W. Strickler, *Secretary.*
German-American National Bank,
St. Joseph, Mo.

HARD WORK AT NEW ORLEANS.

A MEMBER of the New Orleans Chapter writes the following interesting account of the work of that organization:

"We have just completed the course in practical banking. The course was of untold value to every one of us, as our positions sometimes prevent us from gaining a knowledge of the other departments of the bank outside our actual sphere. This is the case with the employee of any large banking institution in the country. He seldom has a chance to go into other departments, as all his time is needed in his own. Some may say that such circumstances are a drawback to an ambitious man. I candidly think that such a drawback is merely an imaginary one; that is, it is only apparent. If a man is observant, and cares to follow up his observations of other desks by study, he can gain a fair knowledge of the working of every desk and department in a bank outside his own.

"Having finished the above interesting course, a vast majority of our Chapter members are at present attending Tulane University as special students. We are taking a course in political economy, the second course of study as prescribed by the national body. This most interesting subject will be of untold value to us. It is of great interest to any man, but more so to those engaged in the profession of banking. Many of us (at least, it is to be hoped) will sooner or later gain official positions in banking institutions, the financial powers that turn the wheels of our country's commerce. It is necessary for a banker to know not only the rates of interest, and the fluctuation of international exchange, but he ought to know the causes of such changes. He should be conversant with the crops, their condition, failure or success. He should know the price of labor, and what effect it has on his customers' business. In other words, he should know and understand the actual prosperity of the country. For, indeed, his customer may be a hat manufacturer, or a sugar planter, or a railroad magnate. A banker is a man whom all classes of business and promoters of all kinds of enterprises need. Therefore, those economical questions which affect the country by affecting the business of its people affect, and are of vital interest to the banker himself. We cannot fail to profit by this most liberal offer of our Chapter to give its members the above-mentioned advantages, and at the same time to bear over half of the attendant cost. Our Chapter membership is ever increasing, and I hope the day is not far distant when the number of non-members will be so far in the minority that they will be lost in utter insignificance."

THE SPRINGFIELD CHAPTER.

THE Springfield (Mass.) Chapter was organized in the spring of 1902. It has grown rapidly, and now has a large membership, which includes representatives from every bank and trust company in the city, with the exception of two. The work of the Springfield chapter, like that of all other chapters, is principally educational. During the year 1906-1907 the chapter listened to a most interesting series of lectures by Prof. J. W. Crook of Amherst, some of the subjects being "Trusts," "Labor," "Taxation," "Money," "Socialism" and "Crises." Others who read papers before the chapter meetings were Ralph W. Ellis, J. Walter Farrell and Philip L. Miller. In addition to listening to lectures, the chapter also holds debates with other nearby chapters from time to time. Adding machine contests are frequently held, and various topics taken up for informal discussion which pertain to banks and banking. It is the unanimous opinion of the members of the Springfield chapter that their knowledge of banking has been decidedly increased through the chapter work, and members who have attended annual conventions of the Institute say that the value gained by meeting and associating for a time with leading bankers in the country cannot be over-estimated.

The officers of the Springfield chapter are as follows: President, Dwight W. Hakes, Jr., of the Institution for Savings; vice-president, John B. Knight of the Hampden Trust Company; treasurer, Harold E. White of the Safe Deposit and Trust Company; secretary, Louis A. Boyer of the Springfield National Bank; executive committee, Horace W. King, George J. Clark and Frederick G. Ewig; membership committee, Horace W. King, E. A. Davenport and Charles G. Hubbard; Bulletin correspondent, Frederick G. Ewig.

CURRENCY DISCUSSION AT CLEVELAND.

THE meeting of the Cleveland Chapter, April 14, was given up to a discussion of the prominent currency reform measures. F. H. Cushman of the Cleveland Trust Co. read a very carefully prepared paper in which he analyzed the Aldrich Bill, the Fowler Bill and the plan of the Currency Commission of the American Bankers Association. Of the three measures he was inclined to favor that of the American Bankers Association, though admitting that it was far from perfect. He was emphatic in his disapproval of the Aldrich Bill, because its provisions violate practically every principle of a scientific currency system. Of the Fowler Bill he expressed a slightly better opinion, but pointed out that in many respects it is unwise and dangerous. Mr. Cushman's paper indicated much thought and familiarity with the theory and history of currency.

T. W. Wilson, vice-president of the First National Bank of Cleveland, and former president of the Ohio Bankers Association, addressed the chapter on the general subject of currency reform. Mr. Wilson has the reputation of being one of that rather limited number of bankers who understand the theory as well as the practice of banking; and what he said to the chapter was in harmony with such a reputation. He began his talk with a brief outline of the development of banking in this country—starting with Hamilton's establishment of the first United States Bank, following the history of the two United States banks to Jackson's successful opposition to the second bank, telling of the disastrous course of the state banks, the reasons for the foundation of the national banking system, and closing with a discussion of present problems. Mr. Wilson is a firm believer in the need for a central bank, and he thinks that the sentiment of the country is swinging in that direction. Of the three measures now before the people he mildly advocates the passage of the Aldrich Bill.

After Mr. Wilson, W. L. Ross, financial editor of the Cleveland Leader, gave a very interesting talk on "The Peoples' Attitude." Mr. Ross, partly because his viewpoint was so different from that of his audience, was listened to very attentively. He spoke very entertainingly of the experiences of the financial editor during the panic; and he gave several examples of the absurd position taken by some of the leading newspapers of the country as to the cause of the panic, and the means that should be adopted to prevent a repetition. So far as the currency problem is concerned, Mr. Ross is of the opinion that a solution will be reached through the use of clearing houses as an agency. It is his belief that the country will never approve of a measure revolutionizing present currency and banking systems; that improvement must come by a sort of evolution; and that the clearing house, being an established, though only partially developed institution, is the most available instrument for such evolution.

The meeting closed with a brief impromptu talk by W. R. Creer of the Cleveland Savings & Loan Co. He seems to be of the opinion that the issuance of currency is a function of the government rather than of the banks.

The meeting was one of the most interesting of the year. The striking feature was that of four unusually well informed speakers, no two agreed as to what should be done to provide a currency system adequate to the needs of the country. Such a situation is typical of the diversity of opinion among men who have given thought to the subject, and indicates that there must be a very thorough campaign of education before sufficient support can be brought to any one measure to secure its enactment.

M. H. Laundon, *President.*

April 22, 1908.

DES MOINES DELEGATION.

DES MOINES chapter elected officers and delegates to the Providence convention as follows: President, Verne Barlow; vice-president, George Simpson; secretary, Harry Stevenson; treasurer, Fred Knight; delegates to national meeting, Harry Stevenson and B. B. Vorse; alternates, George Simpson and James Hart.

A CHAPTER HISTORY.

THE Chicago Chapter is compiling a chapter history. The executive committee recently empowered the librarian, Ralph D. Spaulding, Merchants Loan & Trust Company, to purchase two large scrap books in which to arrange all printed announcements, programs, souvenirs and press clippings of historical interest since the organization of the chapter.

The "Bank Man," the organ of the Chicago Chapter, has this to say about chapter politics:

> The annual chapter elections are not so far distant but that each member should begin to think somewhat about the part he expects to play when the time arrives.
>
> Will you stand for those, who by dint of hard and telling work have helped the chapter gain the enviable position it now holds?
>
> Remember, there may be and probably will, if past history stands for anything, a thousand seemingly consistent arguments presented to side track your honest opinions. Don't let them.
>
> Think over and discuss with your fellows the bank caucus plan. Is it the fair deal for all? More than this—Is it best for the

chapter in the long run? It is at these times that our future welfare and everything that concerns it must be thought out carefully and logically and so decided.

In this way only is a continued successful future assured us.

CHAPTER AT SPOKANE.

SPOKANE CHAPTER of the American Institute of Banking was organized by sixty clerks in Spokane, Wash., banks recently. The officers are: J. O. Tiffany, president; A. C. Longshore, vice-president; A. S. Lindblad, corresponding secretary; W. L. Barnes, recording secretary; W. H. Page, financial secretary; Joseph Bailey, treasurer.

MINNEAPOLIS WINS THE DEBATE.

THE Minneapolis Chapter debate team defeated the Chicago team at Chicago on May 2, talking in favor of the Federal Central Bank idea. This makes Minneapolis champion of the Western Debating Conference and the representative of the West against the East at the convention debate in July. The winning debaters were: Gray Warren, L. E. Warren and John G. MacLean.

HIGH PREMIUM FOR GOLD COIN.

A PRIVATE cable despatch from London states that the highest premium ever brought by a California gold coin was paid recently at Sotheby's sale of the coin collection of H. Osborne O'Hagan, when $2,109 was bid for the very rare ten-dollar gold piece issued in 1849 at San Francisco by the Cincinnati Mining & Trading Co.

American collectors expected that a new record would be made, and Thomas L. Elder, the well-known coin expert of New York City, had cabled a bid of $1,700. The much-prized piece fell to an American collector whose identity is not disclosed.

Only one other specimen of the Cincinnati Mining & Trading Co. gold piece is known, that being in the United States Mint at Philadelphia. There is also a five-dollar piece of the same design, a specimen of which is in the coin room of the Philadelphia Mint.

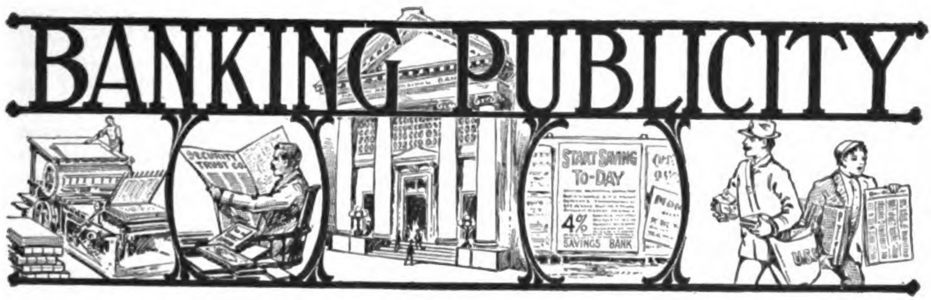
There were many other rare American coins sold, which brought good prices, such as two fine specimens of the California octagonal fifty-dollar gold pieces of 1851 and 1852, a five-dollar gold piece struck at the private mint of Norris, Grigg & Norris at San Francisco in 1849, a fine specimen of the Colorado private gold coinage of 1860 in the two-and-one-half-dollar piece of Clark, Gruber & Co. of Denver, and a "Deseret Assay Office" five-dollar gold piece struck at the private mint of Brigham Young at Salt Lake City in 1860. Another oddity was the Washington cent of 1783, which usually is of copper, but in this sale a piece from the same dies in gold was auctioned.

BANKERS' CONVENTIONS.

THE American Bankers' Association has fitted up its offices at 11 Pine street, New York city, for the accommodation and comfort of its members, and they are urged to call and make use of them when in New York.

STATE BANKERS' CONVENTIONS IN 1908.

Date.	State or Name.	Place.	Secretary.	Address.
	Colorado	Colorado Springs	A. A. Reed	Boulder
.	Georgia	Brunswick	L. P. Hillyer	Macon
June 11-12	Iowa	Sioux City	J. M. Dinwiddie	Cedar Rapids
June 20	Maine	Waterville	H. S. Hall	Waterville
	Maryland		Charles Hann	Baltimore
	Massachusetts	North Adams	G. W. Hyde	Boston
	Michigan	Marquette		Detroit
July 23-24	Minnesota	Duluth	E. C. Brown	Minneapolis
May 20-21	Missouri	Joplin	W. F. Keyser	Sedalia
July 27-28	Montana	Billings	Frank Bogart	Helena
	New Jersey	Atlantic City	W. J. Field	Jersey City
July 9-10	New York	Hotel Frontenac	E. O. Eldredge	New York
June 24-25-26	North Carolina	Morehead City (Atlantic Hotel)	W. A. Hunt	Henderson
July 16-17	North Dakota	Bismarck	W. C. Macfadden	Fargo
May 27-28	Oklahoma	Sulphur Springs	C. L. Engle	El Reno
Apr. 22-23-24	South Carolina	Columbia (Colonia Hotel)	Giles L. Wilson	Spartanburg
July 8-9	South Dakota	Deadwood	J. E. Platt	Clark
June 18-19-20	Virginia	Hot Springs	N. P. Gatling	Lynchburg
June 18-19-20	Washington	North Yakima	P. C. Kauffman	Tacoma
June 11-12	West Virginia	Charleston	W. B. Irvine	Wheeling
July 23-24-25	American Institute of Banking	Providence	G. E. Allen	New York



THIS department is for the benefit of those interested in promoting the business of banks, trust companies and investment houses by judicious advertising. Correspondence is desired. The purpose is to make this department a clearing house for the best ideas in financial publicity. Send inquiries, suggestions, information concerning results of various methods and campaigns, and samples of advertising matter for comment and criticism, to T. D. MacGregor, Manager, Publicity Department, Bankers Publishing Co., 90 William Street, New York.

BANK ADVERTISING SUGGESTIONS.

By Sherwin Cody, Author of "How to do Business by Letter."

THERE is just as much need of red blood in the banking business as in any other. As a rule advertising attempts on the part of bankers show too much of the silk-hat and dress-coat style. You like to have a man speak to you with a pleasant smile and a slight though dignified cordiality. Cold stiffness never wins friends of any kind under any circumstances.

Of course, the red hot methods of patent medicine and specialty advertising are not adapted to banking publicity, but these are very different from the simple, natural letters and circulars that really contain useful hints for prospective depositors and make them feel that the bank will give them something like sympathetic as well as strictly correct attention.

One of the large trust companies in Chicago a year or two ago carefully tested out the value of newspaper advertising and publicity by means of circulars and letters. For six months it ran the best display advertising it could devise in all the local city papers and kept a careful record of the results.

Good Circularizing.

Then it began a six months' test of a campaign of dainty, attractive circulars, and short but cordial letters. First a list of business men located in the nearest buildings was compiled and these were circularized on the point of the convenience of this bank to these particular people.

On another occasion a local improvement society solicited an advertisement for its constitution and by-laws, copies of which were to be distributed to every house within a radius of three or four blocks. In all 3500 were given away. The bank paid the cost of printing on condition of having the privilege of enclosing a circular. This circular was carefully prepared with a view to bringing the largest possible number of names of persons who were interested in making deposits of any kind, and then the names were followed up persistently for several weeks and months. I know it to be a fact, stated to me by one of the officers of the bank, that 1500 accounts were secured from this neighborhood where originally only 3500 circulars had been distributed.

Members of the police force, fire department, and other public servants who received regular salaries, were repeatedly circularized. A favorite method was what they called "mass play." This consisted in sending a circular letter on the same day to every member of a given fire company, for example, or police squad. When every man received a letter like this at the same time in the same mail, of course they laughed, but again and again *every member* of such a company, from the chief down, was secured as a savings depositor.

Saying the Right Thing.

But success of this kind depends on saying just exactly the right thing, and this right thing is often an extremely simple idea. One little circular was prepared which consisted of a calendar of the month, covered over with another page in which

was cut a hole through which might be seen the number 10 printed in red. This was to call attention to the fact that interest for the month would be paid on any deposit received on or before the 10th, and the idea of seeing this red letter day through a hole in the sheet of paper seemed to have in it something that produced business.

Practical little suggestions about saving in the family always interest and help. Special accounts were arranged to take care of the annual life insurance or to make the payments on the house when they came due. These accounts were made payable to both the husband and the wife, so that neither could draw the money out without the consent and presence of the other. There probably was not very much of actual value to the bank in such a device as this, but it was something to talk about and something that showed a personal interest in the individual difficulties that might exist in a family.

It was found that while the man earns the money, it is usually the woman who spends it, or saves it. Little devices, therefore, which would help women and children to save a few cents a day, and a suggestion of various little special objects for which this saving might be made, were found to be productive of really considerable results. But all matters of that kind presuppose a sympathetic and kindly interest in the personal affairs of the depositor, and many banks seem to feel that such a sympathetic interest is entirely beneath their dignity.

The Personal Factor.

The most important asset of any bank is unquestionably the honesty and personal ability of its officers. It is therefore of the greatest importance that this leading asset of the bank should be properly advertised, and yet very few banks ever do advertise this particular thing.

In connection with a little four-page folder on which the statement of the bank is given, it is usual to print the names of the officers and directors. It would be a very simple matter to give under each of these names a short personal history, showing the man's experience, any offices of honor that he has held, and his personal relationship and standing in the community. Many bankers say, "Everybody knows those things. What is the use of telling them over again?" In the first place, everybody does *not* know these facts. In the next place, it is of the utmost use to remind those who do know them so that they cannot be overlooked. These little personal histories can be made very simple and dignified. They are the leading asset of the bank among those business men who are the large patrons of the bank, and they are just as important for the small patron. In the case of these small patrons it would not be worth while to go into all this history personally, but it would be very easy to have the principal item in printed form such as I have spoken of.

Skill in English Required.

In the matter of saving, a reminder is usually what most men need particularly. This reminder can often be given with extreme brevity, and long letters or wordy circulars are almost always quite out of place in bank advertising. The shorter the letter or the briefer the circular the more business it is likely to get, provided the few words that are spoken are exactly the right ones. To know what those right words are requires an unusual skill in the English language, and more than all an unusual sympathy with the average man and with his personal difficulties and surroundings. What would appeal to one class of men would not appeal in the least to another. For example, in the case of one country bank of which I know, the most successful appeal to a large class of foreigners was made on the simple fact that this bank was a United States depository. These foreigners thought that if the United States government would trust its money in that bank, they might feel free to do the same. The word "National" in reality meant more as regards the safety of the bank, but of course they could not understand what significance there was in this word, while they did understand the plain facts of government deposits. The essence of bank advertising, as of all advertising, is to find out these little ideas that appeal to people, and they have to be found out by experiment and by the most careful sympathetic study.

And one of the most important things in any soliciting by letter or circular is to get the right list of names, and to be sure the list is accurate. The preparation of lists of this kind is always a tedious matter, and few bankers like to stay after bank hours, or into the night, to go personally over a dull list of names. And yet in work of this kind lies success.

"Every Little Bit Added To What You Got Makes Just A Little Bit More."

The man who wrote that song not only had a bank book. He also knew the advantages to be received from saving. Drop in some day, receive the glad hand, and make this bank your home.

ONE DOLLAR OR MORE STARTS A SAVINGS ACCOUNT.

First National Bank

Corner of Fourth and Jackson Streets. Oldest Bank in Sioux City.

Not Conventional.

THE BOSTON HERALD

THE BOSTON HERALD CO., Proprietors. MONDAY MORNING, APRIL 13, 1908—SIXTEEN PAGES. PRICE TWO CENTS.

CHELSEA SWEPT BY FLAMES THOUSANDS MADE HOMELESS!

HOW THE HOMELESS FLED BEFORE THE FIRE, BEARING WHAT SCANTY GOODS THEY HAD SAVED FROM THEIR HOUSES

AID TO STRICKEN CITY PROMPTLY TENDERED

Field & Cowles
....85 WATER STREET....

No matter how big the losses in Chelsea and East Boston may be, the fire insurance companies we represent will pay them in full, and we solicit new business.

THE NEW ENGLAND TRUST COMPANY
SAFE DEPOSIT VAULTS
135 Devonshire St. Corner of Milk St., Boston

A safe in these new, modern vaults insures absolute security against loss of valuables by FIRE, flood, theft, or any other cause.

These vaults are in a low building of thoroughly fireproof construction, and are equipped with the best known devices for protection.

Safes of all sizes at rental from $10 to $200 per annum.

All of our losses at Chelsea will be adjusted immediately and paid in full.

ELMER A. LORD & CO.
Insurance of Every Description.
18 CENTRAL ST.

DEAD AND INJURED IN CHELSEA FIRE:

THE DEAD.

INJURED:

R. S. HOFFMAN & CO.,
General Fire Insurance Agency
44 KILBY ST., BOSTON

The Companies represented in this office are not heavily interested in the Chelsea conflagration.

We Solicit Your Insurance

FIRE-PROOF CONSTRUCTION
Reinforced Concrete
RAPIDLY BUILT ABSOLUTELY PERMANENT

Aberthaw Construction Co.
8 Beacon St., Boston

IT IS THE PURCHASING POWER BEHIND THE UNEQUALLED HOME CIRCULATION OF THE BOSTON HERALD THAT COMMENDS IT TO JUDICIOUS ADVERTISERS.

Pfaff's Lager

FOR SUMMARY OF THE NEWS, SEE PAGE

Chelsea Trust Company
ANNOUNCES
THAT IT WILL BE
Open For Business
Monday Morning, April 13
At Its Temporary Quarters
27-29 Park Street, Chelsea

It is pleased to inform the public and its patrons that all its vaults are intact and their contents uninjured.

$8,000,000 Damage Results from Conflagration That Started on a Waste Dump---1200 Buildings Including 1000 Dwellings Burned, and Three Lives Known to Be Lost---City Hall, Six Schools, 11 Churches, Three Fire Stations, Hospital, Armory and Library Gone---4000 Are Thrown Out of Work, and 5000 Are Without Homes.

The city of Chelsea was tried, yesterday, by the ordeal of fire. When it emerged, blackened and scarred, long after midnight, more than one-third of the city lay in ashes.

Of its 8000 buildings, more than 1200 have been burned. Of its 37,000 population, at least 1000 families, including no less than 5000 men, women and children, are homeless, according to an official statement issued by Mayor Beck.

The heart of the business district is gone. Three residential districts, ranging from that inhabited by the wealthy to that inhabited by the lowly, are devastated. Among the buildings destroyed were 13 of the most important public buildings—the City Hall, the

CHELSEA FIRE

We have secured competent corps of Adjusters to give prompt attention to our Chelsea losses.

Unexcelled facilities are offered by us for the care of all kinds of insurance. No risk too large and none too small to receive careful attention.

JOHN C. PAIGE & CO.
65 Kilby Street
INSURANCE OF EVERY DESCRIPTION

SOME TIMELY BANK ADVERTISING

Why did not more Boston banks at once seize this opportunity? The advertiser should have a "nose for news" just as a good reporter has. Oftentimes news events can be turned to advertising advantage by the alert advertising manager of a bank.

ADVERTISING TO REAL PEOPLE.

The Human Element Ought to be Taken Into Account in Bank Advertising.

THE editor of this department contributes to the current number of "The Bank Advertiser" the following article:

There has been wonderful progress in bank advertising in the past few years.

Today there are more really good, effective bank advertisements than ever before—more financial advertising that really tells something, has ideas, suggests something definite and gets results.

This is partly a consequence of such educational work along this line as is being done by this magazine and other publications read by active, progressive bank men everywhere.

However, it needs only a cursory reading of the newspapers of different sections of the country to convince one that there is still great need for improvement in banking publicity—especially in the matter of "copy."

The formal, stilted, unchanging card announcement style of advertising is yet all too common. Many banks still cling to this dignified, but lifeless, and well nigh totally ineffective kind of publicity, using practically no other means to let people know that the institution wants them to deal with it.

This article is an appeal for more personality, individuality and human interest in bank advertising.

The ultimate object of all advertising is to get readers to do something. A good many times the thing you desire them to do is something they either do not want to do or are perfectly indifferent about, one way or the other.

The advertiser must counteract the natural tendency of human nature to follow the line of least resistance, to do what seems easiest, whether or not it is the wisest.

Bare statements, cold figures and even logical argument, alone, are not the best means to use to get people to do as you would like to have them do, when, possibly, they are inclined to do something else.

A great deal of bank advertising is cold and austere, reflecting too much of the coldness and hardness of the massive stone and steel of the bank's building and too little of the humanity and common sense of the men who work for the institution or have dealings with it.

For example, is there anything appealing or effective in such an ad. as this?

CITIZENS STATE BANK
CAPITAL AND SURPLUS $25,000
DOES A GENERAL BANKING BUSINESS

But hundreds of just such footless announcements are still occupying valuable space in the newspapers.

That's about all they do, just "occupy space."

It costs no more to put a live, result bringing message in that space, and every bank has a live message if it only realizes it.

Some time ago there was an interesting article in the "Atlantic Monthly" on "The Country Banker." It pointed out very plainly what an important personal factor the banker is in the business life of every country community.

The writer of the article said:

"Fortunate, indeed, were it if more of the people who have money to invest were to counsel freely with the country and town bankers. * * * There would be fewer empty purses and fewer broken hearts."

And it is not alone the country banker who can impress his personality upon the business community. The larger banks can make use of the same principle. One way to do it is illustrated by the following advertisement prepared by the writer for the National Bank of Commerce in St. Louis.

ANSWERING QUESTIONS.

It is one of the functions of a bank to answer the questions of its customers. The banking knowledge of the directors, officers, department managers and clerks of the National Bank of Commerce in St. Louis is always at the command of our patrons and we are never too busy to answer questions.

We have the latest publications with the latest news on all financial matters, and we are in constant touch, through our many correspondents and otherwise, with all the great agencies and markets. We consider that our time and labor belong to our customers and to the public, whose business we solicit. You are sure of courteous treatment here.

Not a few St. Louis business men and houses owe their success, in part at least, to the fact that they have had the benefit of the wise counsel and timely assistance of the National Bank of Commerce in St. Louis, through its officers and directors.

It will pay you to get better acquainted with the many ways in which this $86,000,000 bank is able and willing to help you.

THE NATIONAL BANK OF COMMERCE
IN ST. LOUIS.

In discussing the personality of Secretary William H. Taft, the Boston "American" recently said:

"Mr. Taft is the kind of man you would expect to find in the president's office of a bank if you went in to start an account. His appearance would give you confidence in the bank. You would say to yourself: 'This man will not let the bank fail if he can possibly help it.'"

Now, it is not meant to say that it is practicable or even possible for officers in large banks to be readily accessible to customers or the public generally, but it is possible and practicable for the rank and file of the working force of the institution to be courteous and genuinely interested in the customers and possible customers as they come into contact with them.

Moreover, it is possible and desirable to put some human interest into bank advertising and have the advertising intelligently seconded by the men behind the counters of the bank.

Counteracting Prejudice.

The point is this—a great deal is said and believed now-a-days about "soulless corporations" and "corporate indifference," and banks are quite generally considered to be in that class. If by the right kind of advertising you can do something to convince people that there is some human consideration and sympatny back of the marble and brass of your banking room counters and windows, you are doing a good thing for your institution, something which ought to redound greatly to its benefit in the way of increased patronage and that valuable asset, good will.

That there is special need of this is evident when such incidents can occur as the following, related by a writer in "System:"

"How slight an affront may drive away valuable business was demonstrated forcibly as I stood in line before the receiving teller's window of a Chicago bank. The bank policeman got his eye on an individual who was crowding his way to the window ahead of those who were taking their turns. Perhaps he was ignorant of the custom, or perhaps the possession of a good-sized roll of money made him independent. At any rate, here was opportunity for a little diplomacy—a polite request, or a word of agreeable explanation. Instead the policeman seized him roughly by the arm, exclaiming:

" 'Get in line! Don't you see all those people waiting? Get back there to the end of that line!'

"The would-be depositor was humiliated in public. Instead of going to the end of the line, he shook off the unwise policeman and walked out of the bank.

"I gave up my own place in the line to follow him. At another bank he opened a savings account for $900. I watched him as he counted out the money."

The writer of this article has seen similar occurrences in a large New York savings bank. In one case a man was forcibly ejected from the building by the officer because he was too persistent in some unreasonable request. Admitting that the man was rational, why could he not have been taken aside and reasoned with quietly?

At the same institution the uniformed officers order customers around much as regular policemen do the crowds on the street. Woe betide anyone there who is hard of hearing or dull of comprehension!

Brethren, these things ought not so to be.

Tom Murray of Chicago (he of the "Meet me face to face" slogan) has the right idea. He says:

"Personality is one of the greatest of assets. Smile. Meet your customers. Make friends. Welcome the kickers. The good business man finds it a genuine pleasure to talk to customers with a kick. When the kickers leave, they have become his friends. I know of many instances in which a kicker, instead of injuring a business, actually sent many new customers—simply because he was treated right. The trouble with some merchants is that they have a grouch. No man can succeed if he's grouchy."

This applies to bankers as much as to merchants.

In New York there are two restaurants quite near together in the financial district. They are of the quick lunch or buffet variety, where customers help themselves and are trusted to state the correct amount to the cashier. In one of these restaurants the proprietor and the manager mingle with their customers, "jolly" them and make friends generally. In the other restaurant the proprietor is grouchy and never has a pleasant word for a guest, but paces up and down like a caged animal, further carrying out the simile by occasionally growling and barking at his employes.

Although the latter restaurant has the better location, it does less business. Do you wonder why?

Backing Up Advertising.

This story likewise has a moral for bank men, because customers' human nature is the same whether it is a matter of eating or of banking. And this is largely an advertising matter, because the personal touch should be given in the advertising of your institution and then it is emphatically up to your whole staff to see that the advertising is properly backed up at the bank.

There are several ways in which this desirable personal touch can be given to your newspaper advertisements, street car cards, booklets, house organs and form letters.

Use the personal pronouns. It is not any more undignified for your bank to speak of itself as "We" and "us" than it is for a great department store or manufacturing concern to do so.

Glittering generalities fall flat, while an argument brought home to you personally takes right hold and convinces you if it is strong enough otherwise and you are convincible.

To illustrate a point, perhaps the writer may be pardoned for referring again to an advertisement he prepared for the St. Louis institution already mentioned. It shows one way to use the personal pronouns in bank advertising:

ARE YOU READY

for the financial opportunities that will come to you?

Good credit or ready cash—money saved —is needed to seize them.

Putting money away safely is insurance against adversity.

No one should be without this protection.

But, more than that, can you doubt for a minute that an account with a strong, absolutely reliable bank like the $86,000,000 National Bank of Commerce in St. Louis helps your credit wonderfully and prepares you

FOR YOUR OPPORTUNITY?

Save part of your income regularly and deposit your savings in this strong bank —one of the greatest financial institutions in the country.

Your money will be earning 3 per cent. interest for you, working while you work, but also while you rest.

If you want to be prepared for business opportunities or would like help on the road to financial independence, you will be interested in our 28-page book, "You and the Rainy Day."

Send for it to-day. It is free.

THE NATIONAL BANK OF COMMERCE IN ST. LOUIS.

In thus judiciously making use of the personal element, the shrewd advertiser is only following the precedent established in the best literature and by the greatest masters of the art of moving men by words.

"Naaman said unto David: 'Thou art the man!' "

Do you think that would have been as strong if Naaman had merely left his hearer with the inference that a certain king had done wrong?

Or do you think that Cicero's orations against Catiline would have been so effective had he not pointed the finger of scorn and accusation directly at the traitor as he vehemently said: "In te, Catilina!" "Against YOU, Catiline."

Use the Imperative.

This suggests another way to bring the personal element into your advertising. Use the imperative. It is strong from a psychological standpoint, and there is such a thing as practical psychology in advertising.

"Begin to save to-day," "Write to us now." These are stronger expressions than "You ought to begin to save sometime," or "Correspondence invited." We are free and independent American citizens, of course, but nevertheless we like to be told just what to do. It may be mental laziness, but whatever it is, we are not averse in a good many cases to having those in whom we have a measure of confidence think things out for us and tell us what to do. So a command is almost always more effective than a suggestion, but it must be expressed in a manner not offensive to good taste.

But after all, the most important thing is to give your customers and possible customers at least a figurative handshake, and remember that to move a man's will it is not usually enough to convince his mind. To get him to act favorably you must also touch his feelings and impulses, appeal to his self interest, as well as to his desire to do the best in his power for his friends and those dependent upon him.

When bankers generally have learned that the best way to get a man's interest in their particular institution is not to hand him an engraved card on the end of a ten-foot pole, there will be more of this rational, human interest advertising and there will be more bankers to regard advertising in its true light—as an investment, not an expense.

ADVERTISING CRITICISM.

Some Things That Might Better Have Been Done Otherwise.

THIS is the advertisement of a state bank in North Dakota which appeared some time ago:

While only a dot,
It is right on the spot,
And will do all the business
That to it is brought.

Shades of Dickens! Is this "Silas Wegg" come to life again to reel off ballads while you wait? The most charitable construction to put upon it is that the cashier was away and the office boy took it upon himself to write the bank's advertisement.

Here's another foolish one:

"WE WANT YOUR ACCOUNT

Whatever your reasons for wanting to open a bank account, whether the account be large or small, the Exchange National invites your deposits."

Why don't you speak for yourself, Exchange National? YOU tell the reasons why people should open a bank account with you.

The advertising department of the Burroughs Adding Machine Co. sends us the following:

THE GOSPEL OF GOOD TIMES.

According to St. Elmo.

Being Chapter XXIII. of the First Epistle to the Dead Ones.

And, therefore, it came to pass, when the seven fat years had been fulfilled, that there arose those among the people who cried with one voice: "Behold, the years of famine and darkness are upon us."

2 And straightway they did crawl into dark caves, and pulled the caves in after them, and did shut out the sunlight.

3 And they lamented with many lamentations, saying: "The years of darkness are come, and the sun hides his face from the children of men."

4 Then came others who were wise in that generation, and did beat upon the stones that were rolled before the caves wherein the calamity howlers howled, and cried unto them to come forth, saying: "Behold, the sun still shines, and the face of Nature is fair to see, and thy crops ripen fast unto the harvest, and shall another reap in thy fields where thou hath sown?"

5 But the dwellers in darkness cried to get them hence, saying: "Know ye not that darkness is upon the land, and we cannot see; nay, verily, even the hands before our eyes?

6 "Here now will we bide, for we have a little provision, but enough only to suffice for our own needs during the dark days, and when we behold the sun again, then shall we come forth and till the fields, but not yet, nor soon."

7 And those who were without held counsel together, saying: "None are so blind as those who will not see, and wherefore shall we not gather to ourselves the ripe grain of these our sightless brethren which lies ready to our sickles? Then shall we have all our own and twofold more, and when these howlers of the caves are an hungered, lo, we will jar loose from them many shekels for that which was their own and they would not take. And it shall come to pass that we shall wax fat and our sons shall wax strong upon the land."

8 And it was even so.

This is interesting and witty, and it is good optimistic talk for the times, but we question whether it is good taste or good advertising to mix biblical phraseology and modern slang in such a parody. There are millions of people who regard the Bible as sacred and we think that the advertiser who runs the risk of offending even one possible customer in this way makes a mistake. The Bible is a model of good English, but imitating its style for the sake of inducing a smile because of the very incongruity of the thing is another matter. This company gets out some of the best advertising produced anywhere and it has a splendid thing to advertise, but this particular piece of literature somehow seems out of harmony with the many other bright things that have emanated from the Burroughs idea factory.

We reproduce a number of bank advertisements from the Mobile (Ala.) "Register" of March 19 last. The only one in the whole lot that is right typographically is that of the City Bank & Trust Company. It is simply and clearly displayed—a clean and attractive looking ad.; but why did the man who wrote this announcement overlook the obvious advantage of telling in the head what the ad. is about? Here is a definite and well worded notice, but to a certain extent it is hidden under the name of the company. Why not say in your head: "Old City Bonds on Deposit," or something like that? Then put your company name below. You will thus get just as much general publicity value out of the advertisement and in addition your special heading will tend to attract just the particular readers you want for this announcement.

The Bank of Mobile ad. is a riot of type. The cut is very poor, and just as if it and eight or nine different kinds of type did not make confusion enough, Mr. Printer slips

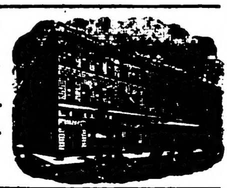
THE BANK OF MOBILE National Banking Association

Designated Depositary and Financial Agents of the United States

Assets (over) $1,000,000.00

THIS BANK IS PROOF THAT CONFIDENCE CAPITALIZES OPPORTUNITY

The policy of this Bank is to help its customers and develop their business in every possible way. It solicits the accounts of local firms, merchants and individuals. It also encourages and invites deposits by mail from adjoining towns.



The Bank of Mobile Pays 4 Per Cent. Interest on its Certificates of Deposit.

MICHAEL J. McDERMOTT, President. SIDNEY LOWENSTEIN, Vice-President. THOMAS J. O'CONNOR, Cashier.

DIRECTORS:

JOHN J. BLACKSHER, President Blacksher Company.
HENRY W. FRENCH, President Stonewall Ice Co.
ABRAHAM G. LEVY, Capitalist.
MICHAEL J. McDERMOTT, President.
THOMAS J. POTTER, Of Yeend & Potter, Dry Goods.
SIDNEY LOWENSTEIN, Vice President.
JOSEPH H. LYONS, Stevens & Lyons, Attys-at Law.
RICHARD MELLETT, Mill Supplies.
ANDREW VAN ANTWERP, Of G. Van Antwerp & Son Wholesale Druggists.
MICHAEL J. VICKERS, Real Estate.

ESTABLISHED 1882. INCORPORATED 1906.

Leinkauf Banking Co.

MOBILE, ALA.

Capital $150,000
Surplus 125,000

Foreign and Domestic Exchange Bought and Sold.
Interest Allowed on Time Deposits. Your Accounts Solicited

Cenrtal Trust Company of Mobile

A carefully managed Trust Company with a Banking Department run under the most conservative and safe rules.

CAPITAL AND SURPLUS, $325,000.00.

OFFICERS:

A. C. DANNER, Chairman Board of Directors.
A. I. SELDEN, President.
G. B. THAMES, Vice President.
S. A. TONSMEIRE, Secretary and Trust Officer.
C. L. SPOTSWOOD, Mgr. Real Estate and Securities Department.
STEWART BROOKS, General Counsel.

DIRECTORS:

STEWART BROOKS, Attorney and President Board of Public Works.
VICTOR CAMORS, President Camors-McConnell Company.
A. C. DANNER, President Mobile Coal Company.
JULIUS GOLDSTEIN, Jeweler.
R. O. HARRIS, President R. O. Harris Grocery Company.
JAS. McPHILLIPS, JR., Vice President Jas. McPhillips Grocery Co.
F. B. MERRILL, President Rose Lumber Company.
A. I. SELDEN, President.
ROBT. A. SMITH, R. A. Smith & Co., Cotton Factors.
G. B. THAMES, Thames & Batre, Insurance.
A. E. VAN HEYNIGEN, Ship Broker.
E. H. WEFEL, JR., Timber Lands and Investments.

City Bank & Trust Company

This bank offers its services in collecting the old Mobile City bonds that will be paid on April 1st at its banking house. Will also take on deposit, at par, old bonds where exchanged for new City bonds, or will invest in other securities on most favorable terms.

Bonds may be left for the purpose of being listed and examined any time prior to April 1st, and regular trust receipt will be given the owner.

The People's Bank

J. W. Whiting, President, J. W. Little, Cashier,
J. B. Davis, Vice President, B. W. Padgett, Asst. Cashier.

CAPITAL STOCK $150,000
SURPLUS AND PROFITS EARNED ... $500,000

Largest Percentage of Surplus and Profits to Capital of any bank in the : : : State of Alabama : : :

WE SOLICIT BUSINESS ON BANKING PRINCIPLES

We offer to depositors every facility which their balances, business and responsibility warrant.

Wasted Opportunities.

in a rule wherever there is a possible place for it. In reading this advertisement the eye has to hurdle five of them. There are good talking points in this advertisement, but they are pretty well buried in this pile of odds and ends from the "Register's" "ad. alley." Just as a starter, out of the idea in section III. of the ad.—"The policy of this bank, etc.," make a head like this—WE WILL HELP YOU DEVELOP YOUR BUSINESS. Then develop that thought quite freely. Goodness knows, you have room enough in a 5-inch, 3-column ad. Then the next day take up another point and develop that. You've an opportunity to do a lot of educational work in Mobile and soon people will look for your ad. and talk about it. There is no objection to your bringing in "U. S. Depositary," your assets, your directors, and all the other standbys of bank advertising, but don't feel that ALL of them must be brought into EVERY ad.

Bank of Mobile, here's a chance to capitalize YOUR opportunity.

As for the other advertisements in the collection, they are commonplace and entirely lacking in individuality. The typographical error in the name of the Central Trust Company (the transposition of the letters "t" and "r") illustrates the fact that careful proofreading by the advertiser is necessary.

STREET CAR PUBLICITY.

Some Opinions From Banks That Have Used It.

CONSIDERABLE interest has been aroused in the article by Mr. Thomas Balmer of the Street Railways Advertising Co., in this department some time ago. The company has furnished us with the following testimonials concerning street car advertising for banks:

THE EMMET BANK, INC.

San Antonio, Texas, July 5th, 1907.

Mr. Barron G. Collier,
175 Fifth Avenue, New York.

Dear Sir:—Replying to your inquiry of the 26th ult., we have been advertising in the street cars here under contract with you for about a year and a half, and while we are not able to state what percentage of increase in our business is due to this medium of advertising, we may say that our bank has enjoyed a steady, healthy growth, and we feel satisfied that the street car advertising is responsible for a good percentage of this increase.

Yours truly.
(Signed) THOMAS L. CONROY.

DIME DEPOSIT & DISCOUNT BANK.

Scranton, Pa., July 29, 1907.

L. J. Siebecker, Esq., Mgr.,
Penna. Railroad Adv. Co., City.

Dear Sir:—For the past five years we have been using the street cars of this city for advertising purposes, and today we consider them one of our best advertising mediums. We consider the space in the street cars too valuable to be filled with any other but the very best advertising material, and this with frequent changes, has given us most satisfactory results. I am,

Yours very truly,
(Signed) C. F. HESS, Cashier.

PROVIDENT SAVINGS BANK.

Baltimore, Maryland, Sept. 20, 1905.

Mr. J. E. M. Raley.

Dear Sir:—It is of course difficult to say with precision what benefit we are deriving from our street car advertising. We do get definite inquiries about two lines of advertising: loaning money on mortgage and renting safe deposit boxes.

But about the main business of Savings Bank deposits it is not so easy to speak intelligently, for people do not say what led them to come to us. The fact remains, however, that we are opening a great many new accounts, and we are doing no other advertising, and we feel like drawing the natural inference.

We are therefore pleased and satisfied to go ahead on the present line.

Very truly yours,
(Signed) ELISHA H. PERKINS, Pres.

AMERICAN SECURITY & TRUST CO.

Washington, D. C., August 22, 1905.

Mr. H. M. Goddard,
608 Star Building, Washington, D. C.

Dear Sir:—As our contract for street car advertising has now expired, I write to express my satisfaction in the results from this form of publicity.

Since I took charge of the advertising for the American Security & Trust Co. last September, our deposits have increased over a million dollars, and our foreign exchange business has jumped nearly seventy per cent. during the first six months of 1905. We can not help attributing part of this increase to the advertising, and while it is manifestly impossible to trace any results directly to the street car publicity, we nevertheless feel that this has had its large and important share in the general results.

Yours very truly,
(Signed) C. SPINNER.
In charge of Advertising.

Educational Advertising.

"Fame," a monthly journal of advertising, in a recent number had this to say on the educational advertising of banks in the street cars:

Some of the strongest educational advertising of the time is being done by the banks and trust companies in their car cards. It is safe to say that nine-tenths of the general public never knew that "A cumulative trust fund can be established on $100" till they learned of it from the car cards, and in no other way can that statement reach the man or the woman who needs it most. The elaborate booklet of this or other companies is not mailed to the investor who commences in so small a way. This worker does not read those papers or periodicals in which such advertising is displayed, but on the five-cent ride to and from work, with the precious bank book in an inside pocket, yes, or the hardly earned money still carried back and forward daily, the opportunities afforded by those institutions cease to

be vague somethings, only possible to the rich, and become active helps toward decent thrift.

And the man who is paying for the bit of land and the home that is to mean so much in future years. How does he learn about title guarantee? The elaborate mailing matter of the companies does not get into his letter box, but the car cards tell the story just as simply and clearly as they do that of the conveniences of ordinary life, and bring, as nothing else could bring, these strong powers to the aid of "the plain people," the most appreciative class of all.

H. N. TINKER

Vice-President Union Bank and Trust Co., Houston, Texas.

MR. TINKER is a living advertisement for his institution and illustrates what we are saying in this department about the personal element in banking relations. We are furnished with the following interesting sketch of Mr. Tinker:

Here is a man whose nature is at once conservative and constructive and who has carried into his banking business some of the spirit of the home.

As one watches the streams of depositors that pass in and out the doors of the Union Bank and Trust Co. in the course of a day's business, the observer's interest is at once aroused to inquiry for the secret of this bank's popularity. The replies would be: "It is safe;" "It is sound;" "It is backed by powerful combinations and commercial enterprises." While undoubtedly true, yet this is not the real secret. It is the spirit of progressiveness that prevails and the power of a personality. In the conduct of the bank's affairs there is an honest, home-like confidence, a cordiality that works its way gradually into the hearts of visitors in a manner that is beyond the subtle power of money to accomplish.

Mr. Tinker was born in Pike County, Missouri, March 23, 1869. He borrowed $130 to come to Texas, in 1893. Without friends or acquaintances, with plenty of push and no pull, he secured a position in a county seat bank at a salary of $40 per month, was soon made Assistant Cashier, and after six years was tendered cashiership of a competing bank. In 1900 Mr. Tinker was receiving a salary of $100 per month, but resigned to organize a bank in a neighboring town, holding the position of Cashier.

In 1903 he accepted the cashiership of the Washington National Bank, of St. Louis, during the exposition. He originated the World's Fair Money Order, which proved popular. He resigned this position to come to Texas at the time the new State banking law went into effect, and was made Cashier of the Union Bank and Trust Company of Houston, Charter No. 1. After two years he was elevated to the position of Active Vice-President.

These are the "short and simple annals" of Mr. Tinker's success: He wanted to be a banker. He is a banker, the guiding hand of the largest bank in Houston, and the second largest in Texas, at a time in life that ought to be an inspiration and a lesson to every young man—to grasp and improve every opportunity.

THE STATEMENT IN ADVERTISING.

How Some Banks are Using it in Out-of-the-Ordinary Ways.

THE statement of condition forms the backbone of many a bank booklet and leaflet. In fact, practically the only advertising matter some banks get out is their statement of resources and liabilities.

The Fulton Trust Co., of New York, furnished the public with valuable information regarding its assets, liabilities and business as shown in its quarterly report to the Banking Department of March 25, 1908. The ordinary statement is amplified by schedules giving all the important facts concerning the New York City bonds, the investment securities and the mortgages, the aggregate market value of which helps to make up the list of resources.

The Manhattan Trust Co., of New York, with its March 25th statement publishes a tabular statement showing that its average monthly reserve for fifteen years has been 31.9. This table is reproduced herewith.

The First National Bank of Frostburg, Md., prints its statement on the back of a check form, the face of the check being used for other advertising matter.

The American National Bank, of Tampa, Fla., prints its report of condition on a small card suitable for enclosing with correspondence.

The National City Bank of Chicago runs a remarkable comparative statement of de-

posits, showing its growth in the first year of its history. Is is as follows:

*February 5, 1907	$2,198,337.25
April 5, 1907	$3,645,246.72
July 5, 1907	$4,924,697.10
October 5, 1907	$5,402,507.92
December 31, 1907	$6,201,815.87

*Opening day.

The Germania National Bank of Milwaukee, Wis., issues its statement in a little covered leaflet of vest-pocket size.

The Iowa National Bank of Des Moines, Ia., prints in leaflet form a comparative statement showing its position at the head of the fourteen banks in the Des Moines Clearing House Association.

"A Bank with a Record" is the name of a leaflet carrying the January 1st statement and a brief sketch of the South Omaha (Neb.) National Bank.

The $3,000,000 Boston Safe Deposit and Trust Co. in its statement gives a detailed list of its bonds and other assets.

Among the institutions that have recently got out especially well printed statements are: The Worcester National Bank; the National Bank of Commerce in New York; and the Union Bank & Trust Co., of Helena, Mont.

INVESTMENT ADVERTISING.

IN its issue of March 25, "Printers Ink" had a special article on "Investment Education," being an exposition of the new idea in financial advertising and the part that some of the high-class magazines have had in it. The article is very similar to the one which appeared in this department several months ago entitled "The New Idea in Bond Advertising."

In the "Printers Ink" article Mr. H. D. Robbins, of N. W. Halsey & Co., is quoted in part as follows:

Experienced bond-buyers comprise but a small part of the magazine reading public. Our principal benefit from magazine advertising is the development of new clients from among those we cannot reach in regular channels. I believe the major portion of magazine readers are not well informed along the line of our business; at the same time representing a very large sum of money now going into other channels that may be diverted into the sound securities we have for sale.

A campaign with this end in view must be on educational lines. The leading magazines are unusually well qualified to treat the subject with a frankness and fearlessness that cannot be done with the same effect through direct advertising of investment bankers. Further, the publishers have the satisfaction of knowing that they are rendering a valuable service to their subscribers in giving them this information. Publishers recognize this to be true and they also recognize that now is an especially opportune time to publish such articles. They also understand that even though a man cares little for finance, if he has surplus funds to invest, he is compelled to give the subject attention and, therefore, welcomes accurate information from a magazine in which he has confidence.

MANHATTAN TRUST COMPANY
NEW YORK CITY

Exhibit showing average monthly reserve for the period of fifteen years ending January 1st, 1908.

	1893	1894	1895	1896	1897	1898	1899	1900	1901	1902	1903	1904	1905	1906	1907	Yearly Average	
January	20.7	39.2	54.9	37.	36.1	27.	32.1	32.3	28.	26.6	31.8	27.6	37.7	29.6	25.1	1893	26.2
February	23.	40.	45.6	36.7	36.3	33.6	50.3	34.6	32.	29.7	23.5	31.4	31.3	25.	23.	1894	50.1
March	17.8	38.1	39.5	36.9	33.5	34.5	47.8	25.6	27.8	27.2	24.1	28.5	23.2	23.4	20.4	1895	46.
April	20.1	42.7	35.3	33.3	35.5	33.2	33.	27.6	24.4	30.5	25.8	35.2	26.	23.6	30.	1896	33.7
May	26.1	47.8	46.3	42.7	37.2	31.6	35.	27.6	28.7	27.7	25.1	48.6	29.	22.1	28.2	1897	30.8
June	27.2	55.8	52.2	35.	35.8	38.9	37.8	29.5	27.5	28.5	28.1	45.6	26.3	22.7	24.6	1898	36.
July	24.3	52.	51.4	33.4	31.5	43.3	31.2	29.	28.7	28.	32.	39.	30.	23.5	23.2	1899	33.9
August	22.8	55.5	60.	31.4	28.7	35.2	30.	26.3	28.8	26.2	32.8	38.1	36.2	21.4	23.8	1900	28.2
September	25.	56.6	62.	22.7	24.2	34.6	27.	25.1	27.8	29.	29.	36.2	23.3	23.8	23.7	1901	27.9
October	34.5	56.	36.8	27.	22.5	37.8	25.	26.	27.1	29.1	30.5	38.8	23.3	24.8	27.6	1902	28.
November	32.6	59.7	35.6	27.8	23.	37.5	23.2	28.	28.	28.2	23.9	28.5	23.2	22.8	25.2	1903	27.4
December	40.8	58.5	34.	30.6	26.	45.8	30.	27.4	26.2	26.4	22.1	27.9	23.4	23.6	20.9	1904	35.4
Average	26.2	50.1	46.	33.7	30.8	36.	33.9	28.2	27.9	28.	27.4	35.4	26.1	23.8	25.1	1905	26.1
																1906	23.8
																1907	25.1
Average reserve for fifteen years, 31.9																	31.9

A Telling Statement.

BOOKS FOR ADVERTISERS.

THIS month we call particular attention to three books which every financial advertiser and correspondent ought to have on his desk. The Bankers Publishing Co. is able to offer a specially low combination price on these three books.

"How To Do Business By Letter, and Training Course in Business English Composition," by Sherwin Cody—

This book is a very practical one for the man who wants to improve and strengthen his business correspondence. The author is a recognized authority on this theme. He is the author of a number of articles and books on the subject and has established a school of English at Chicago which is proving helpful to many business men. The subjects treated in the book include:

Using Words So as to Make People Do Things.
How to Begin a Business Letter.
How to Close a Business Letter.
The Body of the Letter.
Applying for a Position.
Sending Money by Mail.
Ordering Goods.
"Hurry-up" Letters.
How Money is Collected.
Letters to Ladies.
Professional Letters.
How to Acquire an Easy Style in Letter Writing.
Two Kinds of Letters—Buying and Selling.
When to Write a Long Letter and When to Write a Short Letter.
Answering Inquiries.
Talking in a Letter—Colloquialisms and Slang.
Complaint Letters.
Condensation—Writing Advertisements.
Advertising and Follow-up Letters.
Display in Letter Writing.
Salesmanship in Letters and Advertisements.
Customs and Regulations of the Postoffice.
Social and Official Forms; the Rules of Grammar, with Common Errors; the Rules of Punctuation for Business Office Use.
Cloth, price $1.00

"Pushing Your Business," by T. D. MacGregor, Ph. B., of THE BANKERS MAGAZINE. —This volume contains a great deal of useful information and extremely practical suggestions on the subject of bank, trust company, investment and real estate advertising. The chapters entitled: "The Technical Foundation;" "Advertising Mediums;" "Booklets and House Organs;" and "Effective Business Letters" are of value to all advertisers and advertising writers, while the chapters on "Commercial Bank Advertising;" "Trust Company Advertising;" "Savings Bank Advertising;" "Investment Advertising;" and "Real Estate Advertising" are of particular interest and help to those engaged in the special lines of publicity indicated in the chapter titles. This is not a book of forms or model advertisements to be followed blindly, but is a clear and convincing outline of the PRINCIPLES of successful advertising, written by a man who has been especially successful in the preparation and handling of financial advertising. In short, it is a practical working handbook for every financial advertiser. It is thoroughly illustrated, handsomely printed and bound in cloth; 128 pp. Price $1.00, postpaid.

"English Synonyms, Antonyms and Prepositions," by James C. Fernald, L. H. D., editor of the Standard Dictionary. In this 564-page book are over 7,500 classified and discriminated synonyms, with nearly 4,000 classified antonyms. It also explains the correct use of prepositions indicated by illustrative examples and practical hints and helps on the accurate use of words.

The following paragraphs on the word "eager" illustrate the method of treatment of hundreds of other words in the book:

EAGER.

SYNONYMS:

animated,	fervent,	intent,
anxious,	glowing,	keen,
ardent,	hot,	longing,
burning,	impatient,	vehement,
desirous,	impetuous,	yearning.
earnest,	importunate,	zealous,
enthusiastic,	intense,	

One is **eager** who impatiently desires to accomplish some end; one is **earnest** with a desire that is less impatient, but more deep, resolute, and constant; one is **anxious** with a desire that foresees rather the pain of disappointment than the delight of attainment. One is **eager** for the gratification of any appetite or passion; he is **earnest** in conviction, purpose or character. **Eager** usually refers to some specific and immediate satisfaction, **earnest** to something permanent and enduring; the patriotic soldier is **earnest** in his devotion to his country, **eager** for a decisive battle.

ANTONYMS:

apathetic,	heedless,	stony,
calm,	indifferent,	stupid,
careless,	negligent,	unconcerned,
cold,	phlegmatic,	uninterested,
cool,	purposeless,	unmindful,
dispassionate,	regardless,	unmoved,
frigid,	stolid,	

PREPOSITIONS:

Eager **for** (more rarely **after**) favor, honor, etc.; eager **in** pursuit.

Anyone who does much writing will appreciate the value of having such a book as this right at his elbow. It is not only a time saver but its consistent use will improve your style and make your advertisements and letters more interesting and resultful. This book is published by the Funk & Wagnalls Co., and the price is $1.50 net.

The total price of these three indispensable books, if bought separately, is $3.50. Our special combination price is $3.00. You need these books. Send for them today to the Bankers Publishing Co., 90 William st., New York.

HOW BANKS ARE ADVERTISING.

Note and Comment on Current Financial Publicity.

SOME especially good advertising is being done by the Security Trust & Safe Deposit Co., of Wilmington, Del. We reproduce a couple of this company's neat and effective newspaper ads. Speaking of these Mr. John S. Rossell, trust officer, says: "I am sending you herewith two advertisements recently published by us. They show very well the lines along which we are working. We are pleased with the results of these efforts." The company has issued an attractive booklet containing a dozen or more strong advertisements. The cover is an artistic one, while two-color printing and deckle edges add to its attractiveness and help to prevent its being cast aside before it has served its purpose.

The advertisement of the Union Trust Co. of Rochester is a good banking-by-mail ad. It is one of a series being run in rural papers in Northern and Western New York.

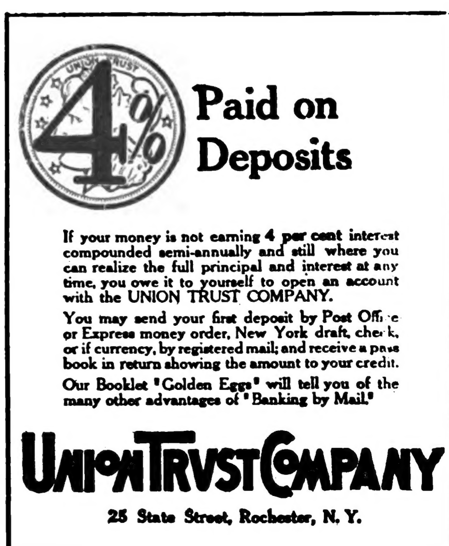
The flexibility and adaptability that constant change of copy gives the advertiser is illustrated by the two Pittsburg bank ads. reproduced herewith. The writers of these announcements have been able to give a "news" interest to their advertising which surely adds to its value.

A leaflet entitled "A Bank for Discriminating Depositors" has been issued by the Cleveland Trust Co., which calls particular attention to the strength of the company's directorate. A photograph of the general banking room tipped on to the first page adds effectiveness to the brochure.

The Merchants National Bank of Philadelphia has recently adopted a new style of letter and note head, the lithograph being an adaptation of the Powell style capital letters, which the bank uses a good deal in its publicity. The president of this institution, Mr. F. W. Ayer, is likewise head of the well-known advertising agency of F. W. Ayer & Son and is largely interested in a leading type foundry, so that anything in the printed line that this bank gets out is likely to be the best possible.

Speaking of this matter of good letter-heads, a writer in the "Selling Magazine" says:

> Good stationery appropriately represents the business for which it is used. Different individual tastes may be responsible for different styles of printed forms, and each of them may be good for its particular purpose. No one style can be laid down as a rule to follow, yet the simple and clear heading is generally most pleasing.
>
> Good stationery is a matter of taste in the one responsible for its production. The business man doesn't always know what is good.



Strong Copy for Mail Deposits.

If he realizes his lack of knowledge and leaves the matter to a competent printer, he will get the right kind of printing.

MONEYORDERS

On the Wilmington Post Office and on Express Companies having Agencies in the city will be received on deposit at this office. We accept these orders for the accommodation of our patrons and to relieve them of the trouble of making collections. It is a pleasure to render them this special service. Bring your Money Orders to us. We will do the rest.

SECURITY TRUST AND SAFE DEPOSIT CO.

519 MARKET ST., WILMINGTON, DEL.

SECURITY TRUST AND SAFE DEPOSIT CO.

519 MARKET ST., WILMINGTON, DEL.

OUR NEW BUILDING

Work will be commenced at once and pushed rapidly to completion. While it is in progress there will be no interruption of business in any department. Every arrangement has been made for the accommodation of patrons as heretofore. We hope to be able in a comparatively short time to merge the old and he new into one of the finest Trust Company Offices in the Country.

OFFICERS:
Benjamin Nields, President.
James B. Clarkson, Vice-Pres't.
John S. Rossell, Sec. & Trust Officer
L. Scott Townsend, Treasurer.

Good Copy.

The Farmers National Bank of Danville, Ky., recently issued an interesting souvenir letter, containing photographs of scenes in the Kentucky hemp fields.

This is a good follow up letter of the Carnegie Trust Co., New York:

Dear Sir:—We take the liberty of addressing you for the purpose of securing for this company at least a portion of your bank account.

During our first year of business, we opened approximately fifteen hundred new accounts and our assets increased from one million and a half on January 2, 1907, to over ten million dollars one year later. This record, considering that it was accomplished during a year of financial panic, is somewhat remarkable, and, yet, we are aiming to make a still better record this year.

We would also call your attention to the Carnegie Safe Deposit Company's vaults of armor plate steel now nearing completion in the basement and sub-basement of this building.

You are cordially invited to inspect our modern banking office and to become acquainted with our officers, with a view to establishing a desirable business connection offering exceptional facilities. If more convenient we shall be pleased to have our representative call upon you.

May we have the favor of a reply?

Yours very truly,
A. E. CHANDLER,
Assistant Trust Officer.

The First Trust & Savings Bank of Billings, Mont., recently sent out this good letter:

Banks have quite generally throughout the country required sixty or ninety days' notice before depositors could withdraw money from their Savings Accounts. It is a matter of pride that the First Trust and Savings Bank has not enforced this notice clause, so that our depositors have had the privilege of withdrawing their money whenever they desired, which has proven to be a decided advantage to them, when other banks have been requiring notices before the withdrawal of Savings Accounts.

The Certificates of Deposit, which are issued by this bank, yielding interest at the rate of six per cent. per annum, afford a safe and unusually profitable form of investment. These certificates are drawn for any amount, and therefore prove absolutely practicable for the small investor.

In view of the above considerations, we trust that we shall be favored with some of your patronage. Assuring you prompt attention to all matters referred to us, we beg to remain,

---

The "Hibernia Rabbit" is the name of an interesting house organ issued monthly by the employes of the Hibernia Bank & Trust Co., of New Orleans. It contains some well written general matter besides sundry local "hits" of interest to the working staff of the institution. This bank has a fine 12-story building and uses a large embossed picture of it for advertising purposes.

The National Bank of Cuba is doing some good publicity work. Following is an extract from one of its advertisements in

the Havana "Daily Post," printed in English:

This Department is in daily communication with every money center in the world, and buys and sells drafts in any money, in any amount and on any place or country. It transfers money by telegraph or cable to the same extent. It issues travelers' and commercial letters of credit and opens accounts current abroad for its customers. A special Tourist and Information Room adjoins the garden and is provided for the accommodation of visitors holding letters of credit or whose mail is addressed in care of the Bank. There passed through this Department in the last year more than $140,000,000.00.

The bank prints a good deal of its literature in both English and Spanish. On the title page of its statement leaflet it uses a delicate tint-block map of Cuba. This bank has assets of more than $22,000,000, and there is some American capital in it.

The State Street Trust Co. of Boston asks notice to a special feature of its service in a printed note worded thus:

CO-TRUSTEE
CO-EXECUTOR

The appointment of the State Street Trust Company to act jointly with an individual in the capacity of executor or trustee ensures the management of the estate by a strong corporation of known financial responsibility and at the same time the personal interest of an individual connected with the testator or beneficiary.

The officers of this Company will be pleased to talk or correspond with any persons interested.

Offices: 38 State Street and
130 Massachusetts Avenue.

The Canada Permanent Mortgage Corporation of Toronto, an institution with $6,000,000 paid up capital, and a reserve fund of $2,750,000, issued its last annual report in particularly attractive booklet form. From a leaflet entitled "Confidence," we take the following good paragraph:

Absolute faith in the institution to which you have entrusted your savings is essential to your peace of mind, especially in these days of financial unsettlement. Those whose moneys are entrusted to the keeping of the CANADA PERMANENT MORTGAGE CORPORATION, can rely with perfect confidence upon the unusually large amount of the Shareholders' paid-up Capital and Surplus Funds, the conservatism with which its investments are made and the long experience brought to bear upon their selection, and its record of more than half a century, during which, notwithstanding several financial panics, no depositor has ever been asked to wait one hour for his or her currency.

If you are not already one of our depositors, we should like to number you among that growing body of our well-satisfied customers. Nowhere can you secure more absolute freedom from anxiety.

This is the Right Idea.

The Maryland Savings Bank gives a little savings preachment in green ink on its 1-cent mailing wrapper.

The newspaper ad. of the First National Bank of Pensacola, Fla., is a good model of a well balanced, well displayed and logically arranged advertisement. There is a definite idea in the head. The dates "1880" and "1908" tell their story at a glance and the imprint of the institution is in good sized type and at the bottom where it belongs.

The officers and directors of the First National Bank of Boston sent out engraved invitations for an informal inspection of the new building and safe deposit vaults on March 25.

Cosmopolitan—Advertising Section

SAFE DEPOSIT by mail is a new idea.

For the first time in the history of mankind the absolute safeguarding of valuables is possible, easy and inexpensive, no matter where a man may live.

In these days, when so much of actual property value is represented by mere pieces of paper, the problem of properly caring for these becomes a matter of vital importance.

And yet, there are in this country today deeds, mortgages, wills, stocks, bonds, insurance policies and other papers representing an aggregate value of hundreds of millions of dollars hidden away in bureau drawers, under carpets, or in far corners of attics, that are in constant danger of loss.

Fire may come, thieves may break in, floods may destroy—or the person who hides the papers may die, and the hiding place be lost.

No man can afford to take such risks.

It is not right to himself, or to those dependent upon him. And it is not necessary.

Safe Deposit by mail is convenient, simple, safe.

The **New Vaults of the Carnegie Safe Deposit Company** are within easy reach of every man and woman in the United States.

They are the largest and strongest Vaults in the world.

No drill could pierce them; the guns from a battleship could scarcely make an impression upon them. The great door, weighing twenty tons, seals them hermetically, and intricate time-locks prevent their opening before the time appointed each day by the officers of the Company.

The protection is absolute. And the **United States Government's Registered Mail Service** puts them next door to every nook and corner of the country.

The system of Safe Deposit by mail is simplicity itself.

We send you a heavy linen envelope, 12 inches long, tied with tape. You place your papers in this envelope, seal the tape with wax, give it to the postman, who **registers** it, and it is delivered to us **inside** our Vaults, where it is numbered, receipted for, and placed in a steel box in our Special Mail Department.

Have you need for your papers? The first mail will bring them to you by the same trusty messenger, with the original seals unbroken. No person but yourself can touch or inspect the contents.

And the cost—$2.00 a year for each envelope containing as many papers as it will hold—$1.00 a year for each additional envelope. These

envelopes will be returned to you as many times during the year as you desire without additional cost.

The booklet explaining the plan in detail is handsomely illustrated and contains valuable information as to the safeguarding of property. It ought to be in the hands of every man and woman who owns a deed, a mortgage, an insurance policy, a stock certificate or bond, or any other valuable personal property.

It will be sent free of all cost to those who write for it.

CARNEGIE SAFE DEPOSIT COMPANY
97 BROADWAY, NEW YORK CITY

A Brand New Idea.

The Franklin Society of New York makes a good point in its blotter advertisement reproduced here. The security of mortgages is further brought out in this letter:

Dear Sir:—The Franklin Society has from time to time sent you letters and printed matter with the hope of gaining your confidence and consequently your account.

Despite conditions elsewhere it has made steady and consistent gains in the number of new accounts and in the amount of deposits, while withdrawals have been below the normal.

This is due entirely to the nature of its securities. The Franklin Society can not invest one dollar in stocks or bonds of any kind. **Confidence** in mortgages has not been shaken.

Stop for a moment and think this over. Then send us your initial deposit, be it One Dollar or One Thousand.

Yours very truly,
H. A. THEIS,
Second Vice-President.

The little ad. of the Salem (Mass.) Five Cents Savings Bank, with the cut of a nice

1880 1908

Salary Insurance

Ever consider the question of insuring your salary—your income?

Your income—your earning power—is vitally important to you.

Insure your income by opening a savings account at The First National.

Then, if your income stops you can draw on your own money and be independent.

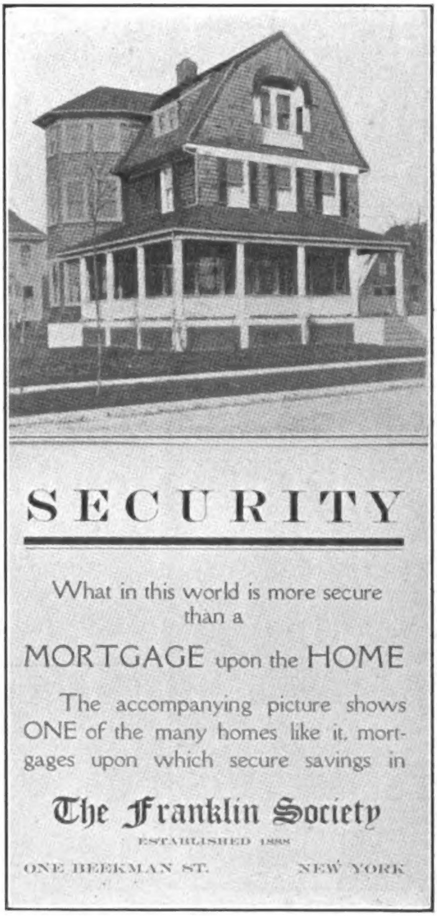
First National Bank

of Pensacola, Florida.

Designated Depository of the United States

W. H. Knowles, President. W. K. Hyer, Jr., Vice-President and Cashier.
Thos. W. Brent, Ass't. Cashier. W. N. Roberts, Ass't. Cashier.
Directors—F. C. Brent, W. A. Blount, W. H. Knowles, W. K. Hyer, Jr. and Knowles Hyer.

Well Balanced.



A Concrete Illustration.

looking house and the words "You Must Save Money if You Wish to Own a House" could scarcely be improved upon for a 21-line, 2-column space. Running the cut of the home is the right idea because of its suggestiveness. It is the same principle consciously or unconsciously acted upon by the restaurant man who puts his most appetizing viands invitingly in his front window or the shrewd dining car manager who sends his white-coated waiter through the train several times before each meal. Seeing this picture of a neat little home gives the reader a mental picture of the home he wants to own some day.

It is a better than ordinary banking-by-mail booklet that Charles H. Ravell has written for the Old National Bank of Battle Creek, Mich. The booklet has desirable features typographically, but its chief

A Pleasing Mental Picture.

strength lies in the fact that it is entertainingly, logically and convincingly written. It starts in with a description of the industrial situation and advantageous location of Battle Creek. Then follows a brief historical sketch of the institution and a clear statement of the benefits of banking by mail and this bank's facilities for handling that kind of business. A booklet for the savings department proper is equally good, as it contains commonsense talk and sound arguments.

"A World-Wide Bank Account" is the title of a booklet prepared for the Foreign Department of the Mellon National Bank of Pittsburgh by A. D. Sallee, advertising manager. It is one of the best booklets on letters of credit and travelers' checks that it has ever been our privilege to see. Its unique cover is reproduced. The booklet, which is all that could be desired from a typographical standpoint, gives a very complete exposition of the subject as can be judged from the table of contents, which includes the following topics:

MELLON LETTERS OF CREDIT.

Methods of Carrying Money; The Letter; The Book of Indication; Domestic Form of Letter of Credit; To Draw Money; Terms of Issue; On Collateral Security; On Gurantee; On Deposit Account; For Cash.

Reasons Why You Should Carry a Mellon Letter of Credit.

Portability; Universal Checking Account; Joint Credits; Flexibility; Simplicity; Income

For European Travel

There is no better way to carry funds, when traveling in Europe, than in the form of a Mellon Letter of Credit.

Such a Letter practically opens a checking account, for the holder, in such cities as he may visit.

Furthermore, it is a valued introduction to the leading foreign bankers.

Full particulars upon request.

Mellon National Bank

514 Smithfield St. 409 Fifth Ave.

Timely

Anticipated; Extension of Time; Additional Credit; Balance Refunded; Identification; Introduction; Availability; Security; Mail; Cablegrams and Telegrams; Reading Rooms;

A Mellon National Idea.

Baggage and Valuables; Passports; Securities Held.

Mellon Cheques.

Compared with Gold and English Notes; Compared with Letter of Credit; The Cheque Described; How Used; Availability; Security; Fixed Value; Economy.

FOREIGN MONEY; CREDIT FOR IMPORTERS; COLLECTIONS FOR EXPORTERS; FOREIGN EXCHANGE.

CALENDAR ADVERTISING.

A Medium Not to be Overlooked by Banks.

CALENDARS are good secondary advertising for financial institutions. A mention of this subject is timely now because orders are being placed already for 1909 calendars. A calendar is not a "novelty" but a utility. It may be a thing of art, a souvenir, a remembrance and a good advertising sign and good will creator for at least a year. Quality in calendars is worth special consideration. The circulation of this class of publicity is limited, to be sure, but each copy has the opportunity to tell its story effectively and continually.

AMERICAN BANKERS' ASSOCIATION.

Thirty-fourth Annual Convention at Denver.

AT a meeting of the Executive Council of the American Bankers' Association, held at Lakewood, N. J., May 4, 5 and 6, it was decided to hold the next annual convention of the association in Denver, Colo., probably the last week in September or the first week in October, the exact date to be fixed hereafter.

CLEARING-HOUSE CERTIFICATES.

PUBLICATION of the official report of the loan committee of the New York Clearing-House permits the publication of the following data: The 3,548 loan certificates were issued as follows: 412 at 100.000 each, $41,200,000; 522 at 50.000 each, $26,100,000; 1,005 at 20.000 each, $20,100,000; 1,123 at 10.000 each, $11,230,000; 486 at 5.000 each, $2,430,000.

The following table gives the proportion of loan certificates actually used in paying balances at the Clearing-House. This showed that during December only three per cent. of the settlements were effected in cash:

1907	Total balances.	Loan certif's paid in.	Per cent.
*October ..	$64,648,593	$54,460,000	.84
November .	218,702,635	211,475,000	.96
December .	203,340,855	198,200,000	.97
1908—			
January ...	337,895,293	64,575,000	.19
Totals ..	$824,587,376	$528,710,000	.64

*Five days.

A GREAT SUCCESS

"PUSHING YOUR BUSINESS," the new book on practical financial advertising by T. D. MacGregor of THE BANKERS MAGAZINE staff, is proving tremendously successful, as may be judged from the following selections from the large number of commendatory letters received in the past few days:

Most Practical.

I have read all the leading works on advertising, but I believe this is the most practical one I have seen. I am sure that I shall be a better advertiser for having read it.

A. D. SALLEE, Advertising Mgr.,
Mellon National Bank, Pittsburgh, Pa.

Inspiration in Every Sentence.

In my endeavor to get ideas for up-to-date advertising to push my real estate and investment business, I have carefully scanned every bit of advice on advertising that I could get hold of. Your book, "Pushing Your Business," gives me an inspiration in almost every sentence. It is so much better than anything else I have ever seen that I shall keep it on my desk as a textbook.

FRED N. VAN PATTEN,
First Mortgage Real Estate Investments,
Syracuse, N. Y.

Easy to Understand.

"Pushing Your Business" looks mighty good. It is simple enough for a tyro to understand, and that, after all, is just what you want. Anything along the line of simplifying this wonderful business of ours is progress in the right direction.

ROBT. FROTHINGHAM,
Advertising Mgr., "Everybody's Magazine,"
New York.

A Valuable Handbook.

For business men who must advertise or cease from business this is certainly a very valuable handbook.

Chancellor JAMES R. DAY,
Syracuse University.

A Most Valuable Aid.

Your book on financial advertising, "Pushing Your Business," is the most interesting work of its kind I have yet seen. To a man who handles bank or trust company advertising, I consider it a most valuable aid.

JOSEPH C. ALLEN, Treasurer,
Hampden Trust Company,
Springfield, Mass.

Most to the Point.

I have read many books on advertising and many criticisms of books on advertising. Your book is the most to the point of anything I have ever seen.

F. H. RUSCOE, Principal,
Ruscoe School of Commerce, New York.

Of Advantage to Any Business Man.

In "Pushing Your Business" the subject of real estate and financial advertising is treated in a very interesting and instructive manner, and while the subjects treated are of special interest to the real estate or financial man, the information given cannot but be of advantage to any progressive business man.

C. J. VAN SLYKE, Secretary,
New York Central Realty Co.,
New York.

Vast Amount of Advertising Wisdom.

"Pushing Your Business" contains a vast amount of advertising wisdom. It would seem to me that any banker who wishes to advertise, after reading your book would feel very much more confident in his knowledge of the whole subject.

I found much in it that will be of value to me as a business man.

W. N. AUBUCHON, Former President,
Associated Advertising Clubs of America,
and President St. Louis Advertising
Men's League, St. Louis, Mo.

Genuine Inspiration and Practical Help.

"Pushing Your Business" is a very practical handbook emphasizing the value of enthusiasm, personality and individuality in advertising. It is a genuine inspiration and a practical help to every advertiser. I prize the work very highly.

FRANK SOWERS, Manager,
Nassau County Branch, The Title Guaranty
& Trust Co. of New York.

Commonsense Advertising Facts.

I have never seen so many commonsense advertising facts in as concise but comprehensive form. The knowledge it imparts is of great value, not only to the beginner, but also to the old campaigner.

N. LE VENE,
Of J. Walter Thompson Advertising Co.,
New York, Chicago, Boston, London.

Robbing the Advertising Specialist.

There have been so many "How" books, but this is really worth while—sensible, practical, comprehensive. But is not the author robbing the advertising specialist? If all business men were to follow the suggestions of "Pushing Your Business," there would be no need of professional advertising writers.

RALPH RECORD,
Springfield (Mass.) "Daily News."

BANKING IN RAWHIDE.

THE NEW GOLD MINING CAMP IN NEVADA.

By Charles W. Reihl.

IN the issue of the MAGAZINE for May last year I had the pleasure of telling the bankers of the country about the mining camp and the banks of Goldfield, Nevada. The growth and development of banking in any one place is of interest to bankers in other places, but when it is the origin and development of banks in a place where the precious yellow metal is found in abundance, it is of double interest.

All the enterprising newspapers of the country have been talking about the gold finds at Rawhide and the wonderful richness of the ore found there, so that there is scarcely a banker who does not know something about it, and many of them want to know more.

To get to Rawhide, or as near to it as possible by train one must needs go to a station called Schurz on the line from Hazen, on the Southern Pacific, to Tonopah and Goldfield; or to Mina, which is further south on the same line. Schurz is an interesting station to an easterner, because it is on the Indian Reservation, and there, if the day is pleasant, you will see quite a number of Indians. When I first went through Schurz, before the Rawhide district had been recognized as a rich section, it was a beautiful, clear day and the Indians were out in force, sitting on the ground in the sun, apparently amusing themselves. The men were groupted together on the ground, evidently gambling—this is said to be their favorite pastime; the women, in their calico dresses and wrapped in their bright-colored blankkets, were sitting on the ground, too, grouped by themselves, but near the men. They seemed like a quiet lot of women, not caring to speak to each other nor to work, but just to take life easy. The children played tag, as children are wont to do. A few Indians came around the train to sell nuts, baskets and beaded work.

Rawhide's Business Center.

The hurly-burly of bustling city life is witnessed every minute of the day in Rawhide's streets.

The ground at Schurz is the most attractive to the eye on the whole trip

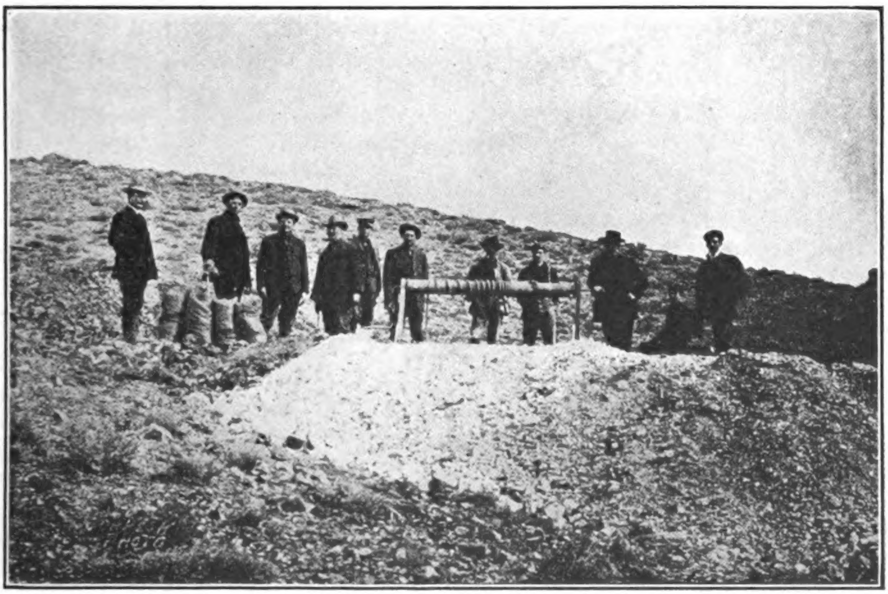
from Hazen to Goldfield, because there is a stream of water, and consequently some vegetation; so that it stands out in pleasant contrast with the alkali desert of which one sees so much.

From Schurz to Rawhide three modes of transportation are to be had—the automobile, the stage and walking. The distance is twenty-eight miles. In the auto the fare is $10; that is, at the rate of thirty-four cents a mile. Still, that is not much when compared with New York, because there if you are downtown and want a cab to take you from Brooklyn Bridge to Cortlandt Street Ferry, or from the ferry to Wall street, you have to pay a dollar, even though the distance is not one mile.

How the Place Got Its Name.

Many have wondered why the place is called Rawhide. It is certainly not a name that is suggestive of a mining section, but rather of a cattle ranch. One of the explanations for the name is this, and it seems to bear the marks of being correct: It was named by a cowboy who had gone there from Buckskin. He said: "By gad, boys, there's a Buckskin, and every other kind of a hide on the map, so we'll just name this Rawhide."

Rawhide was located last August, so that when this article is published the town will not be a year old, but it claims to have a population of about 11,000 or more, and this number is being increased daily by 100 or 200 newcomers. A gold camp is a strong magnet which draws a lot of people to itself—people of all classes and grades.



The Gold Seekers.

This view shows the bags of ore and the windlass over the top of the opening, with which the dirt and ore are raised to the surface. This style of windlass (or winch, as it is often called) is used until the depth is sufficient to warrant the erection of a gallows.

This young town boasts of having three banks—probably the most wonderful town on record in this respect. Not a year old and three banks! To a staid, easy-going easterner who has not seen the West this is hardly believable, and if the statement is accepted it is with a mental question mark before it and following it.

The view of a Rawhide business street and the views of two of the banks presented with this article will give a good idea of what the town and the buildings look like. This style of architecture is like that found at Goldfield, but this will soon give way to more substantial looking structures if the ground proves to contain anything like the amount of gold it is claimed to contain.

The three banks are the Bank of Rawhide, the Merchants and Miners' Bank, and the First Bank of Rawhide.

"After an experience that has been seldom equalled, Charles A. Gehrmann, president of the Bank of Rawhide, opened the doors of that institution Monday morning, February 17, 1908. Mr. Gehrmann's obstacles in the organization of this bank were most unusual, but he overcame them all, and the bank, with its exceptionally strong directorate, handsome building and complete equipment, is a testimonial of his indomitable energy.

"Mr. Gehrmann, who is a mining engineer of many years' experience, and who has the record of having made properties that were esteemed as of small value pay handsome dividends while he was operating in Colorado, was one of the earliest arrivals in Rawhide. He came here in August, when there was but one tent on the present site of the hustling city, and thoroughly prospected the district. His experience, much of which was gained while an engineer on the staff of the late John Mackay, told him that in this place a world-beating mining camp would be made. He went away enthusiastic, and from that day to this all his interests have been centered in Rawhide. At

Mineralized Banks of Sand.

In the foreground is a side view of the winch and some of the rock brought up from below in the search for gold-bearing rock and sand. Part of the tented town is on the right.

The last-named seems to be a child—or branch—of the Wonder (Nev.) Bank and Trust Company. The second-named is an organization with a paid-in capital of $50,000. Concerning the first-named bank, there is an interesting story of how it was organized. Bankers who have had troubles of their own in the organization of banks will enjoy the story and see that they have one who can sympathize with them; and all readers will see the great faith Mr. Gehrmann and men like him have in the future of Rawhide as a gold-producing town. The story is, in the main, quoted from a recent issue of the "Rawhide News."

first, Mr. Gehrmann concerned himself about securing acreage, and he finally succeeded in picking up some of the most select property in the district. From August to October he was busy exploiting the unimpeachable merits of Rawhide from Denver to Reno. Few men did more in that time than he to start the tide flowing toward the camp.

"By October the camp had grown to such proportions that Mr. Gehrmann was impressed with the necessity of having a bank to transact the rapidly increasing volume of business. He left Rawhide for Reno with the idea of interesting capital in banking enterprise for the camp, and at the same time started the construction of the handsome two-story building at the corner of Nevada and Sunbeam streets, which is now the home of the institution. (There seems to have been an effort to atone for the name of the town by giving the streets beautiful names—Sunbeam, for example.)

"When he reached Reno he found that two of the largest banking syndicates in the state had suspended payment, that the Governor had declared a legal holiday, and that such a thing as starting a banking institution was out of the question. But Mr. Gehrmann is not one to balk at obstacles, and having determined to put a bank in Rawhide, he went steadily ahead with his plans. His plan was to interest eastern capital, and in order to do this it was necessary for him to make a trip East.

"By that time, the banks of Reno had put in effect the rule that no depositor should be allowed to draw more than $100 a week in coin or currency. This rule was generally understood, and when Mr. Gehrmann prepared for his eastern trip he met it face to face. He had to be content with $100 to defray his expenses from Reno to New York, on which city he was given drafts for further funds. Nothing daunted the organizer of probably the only bank organized during the panic, took the $100, bought a ticket through to New York, eschewed the luxury of a sleeper and started on his journey, riding and sleeping in day coaches, and even skimping himself on his meals. En route to New York, Mr. Gehrmann stopped in Chicago and Cleveland, where he interviewed capitalist friends, and on his return he visited Denver on the same mission.

"The progress of the project was coincident with the recent money panic. Mr. Gehrmann was asking his friends to join him in the organization of a bank, for a new camp far out on the Nevada desert, at a time when banks were failing, when currency commanded a premium, and when bankers were actually ballooning their own credit, in the form of clearing house certificates, in order to keep their institutions from going to the wall. As may be imagined, it was slow- up-hill work. The thing that interested bankers at the time was not the starting of new enterprises but the salvation of the institutions in which they were concerned.

"It was, in all the circumstances, only by the hardest, most persistent endeavors that Mr. Gehrmann finally succeeded in guaranteeing the success of the enterprise. In the wind-up, he found his institution backed by some of the ablest men in the country, its connections extending to some of the most famous banking houses in the East. The money for the capital stock, $25,000, was raised in gold coin and gold certificates while clearing-house certificates were still substituting for real money. Not even bank notes were acceptable to Mr. Gehrmann, for the world-beating gold camp he must have gold or its equivalent, gold certificates. Again he won out, and the capital stock of the bank was paid up in funds representing only the yellow metal.

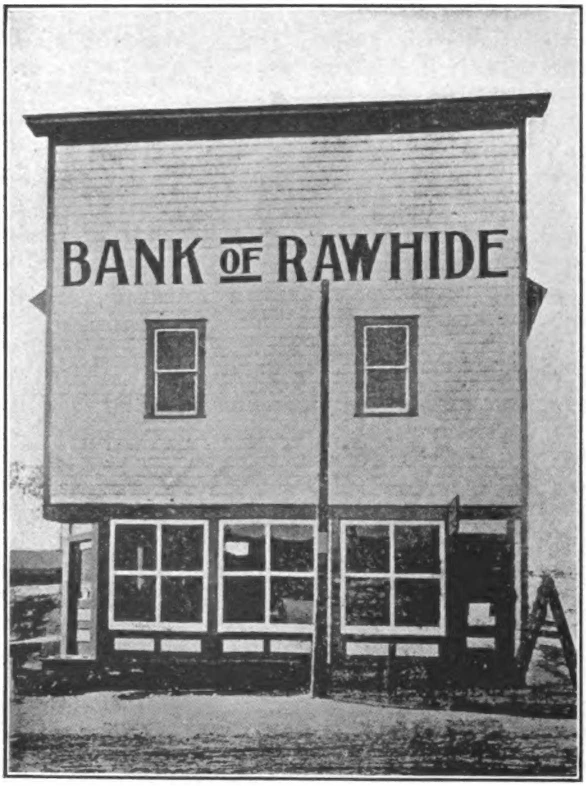
"With the organization assured, and the launching of the bank dependent only on the completion of its building, Mr. Gehrmann experienced another set-back. Lumber for the building could not be had. There was delay in the delivery of the three big safes which he bought, and the interior fittings were also delayed. So it was that the bank was not opened until two weeks later

than had been originally intended. When it did open, however, it opened right.

"One evening during the week preceding the opening day, with every penny of the capital stock packed in coin bags, Mr. Gehrmann, Frederick H. Manns, the cashier, and W. E. Sirbeck left Reno for Rawhide. They were unable to charter an automobile to bring them straight through, so they travelled by way of Schurz. Carrying around $25,000 in gold coin and gold certificates, when one has to turn out of a sleeper at Schurz at 3 a. m., and take chances on securing accommodations until morning, with no safe place for the deposit of the money, is rather hazardous work.

"In this case it had to be done. Several Colt automatic revolvers and a sawed-off shotgun, and unceasing vigilance on the part of the trio of bankers, brought the money safely to Rawhide. It had to be carried on the streets of Schurz, loaded in the same way into an automobile, and brought across the desert; and hold-ups have not yet entirely ceased.

"On its arrival in Rawhide, however,



Home of the Bank of Rawhide.

This two-story building, which is owned by the bank, stands on the corner of Nevada and Sunbeam streets, and was the first two-story building started in the camp. Its completion was attended by many delays, due to the lumber famine, but the bank opened its doors Monday, February 17, 1908, with one of the handsomest, most complete and commodious suite of rooms to be found in any Nevada bank. Charles A. Gehrmann is president of the bank, and its official board, and the list of stockholders, presents an array of wealth and banking talent not often found in a western mining camp.

the money found a secure place of deposit in the great armor-plate steel money safe which had been shipped in some days before. In this safe, with its plates 16 inches in thickness, each one shrunk to place in the same manner that a cannon is made, so that all danger of blow-

"The interior of the bank building is in keeping with the plans of the projector of the enterprise, which was to establish a bank out of which a depositor could get his money at any time; Mr. Gehrmann had an experience in inability to get his own funds which he

The Merchants and Miners Bank Building.

This is a neat looking building. The bank conducts a general banking business and all special features of a mining camp bank—such as escrow department, trustee, registrar of stocks and corporate agent.

holes is eliminated, with its enormously thick doors, and its perfect time-lock device, all the moneys the Bank of Rawhide may ever handle are secure from the attacks of burglars. The safe is absolutely burglar proof. The other safe equipment consists of a gigantic affair for books, and another fitted with safe-deposit boxes for renting to the clients of the bank.

will not soon forget, and which he means shall never be experienced in the Bank of Rawhide. Consequently, the bank has been founded on financial solidity, no money being wasted on decorations. The interior fittings are stained to resemble Flemish oak, the counter railings are black iron, and the furniture corresponds to the fittings. In the arrangements of the interior, the

same idea of safety has been carried out. The money safe stands before a large window, where it must always be visible from the street, the safe-deposit boxes are easy of access to their owners, and the book safe is private to the clerical force."

Besides the views of the banking institutions presented herewith, two views are given showing the formation of the ground and the banks of sand that are said to be highly mineralized. These will give a good idea of the methods used in sinking a shaft in search of the the precious metal. After the shaft is at a fair depth and the conditions are encouraging enough, or the money can be secured for the purpose, a gallows is erected—one can be seen on the top of the hill forming the background of the view of the town—and a hoisting power of some kind installed to raise the buckets of dirt, rock and ore to the surface. The chuck! chuck! of the gasoline engine is a sound frequently heard around the mines, where there is enough money secured for development purposes to pay the cost of installing it.

ORGANIZATION OF NATIONAL BANKS.

AT the close of business March 31, 1908, there were in existence 6,764 national banks, with authorized capital stock of $920,364,775; bonds on deposit as security for circulation, $632,422,570; circulation outstanding secured by bonds, $628,834,336; circulation outstanding covered by deposits of lawful money, by banks in liquidation, those reducing their circulation, and on account of insolvent national banks, $67,573,019, the total circulation outstanding being $696,407,355.

Since the passage of the gold standard act (March 14, 1900) there have been chartered 3,822 national banking associations, with authorized capital of $224,265,300, of which 2,479 associations, with capital of $64,597,500, were organized under that act—that is, with capital of less than $50,000, and 1,343, with capital of $159,667,800, under the act of 1864. By reason of liquidations and failures the net increase in number of banks was 3,147, or 87 per cent.; in capital, $304,056,680, or 49.3 per cent.; circulation secured by bonds, $412,459,541, or 190.6 per cent.; circulation secured by bonds and lawful money, $442,004,625, or 173.7 per cent.

In the middle Western States 1,052 national banks, with capital of $67,412,500, were chartered during the period in question; 967, with capital of $55,506,500, in the Southern States; 647, with a capital of $48,426,500, in the Eastern States; 872, with capital of $29,326,000, in the Western States; 236, with capital of $17,228,800, in the Pacific States and Territories; 43, with capital of $5,665,000, in the New England States, and 5, with capital of $700,000, in Hawaii and Porto Rico.

The number of national banks organized from March 14, 1900, to March 31, 1908, averages a fraction less than 40 per month. Of the total number of banks chartered since March 14, 1900, 2,125 with capital of $115,285,000, were banks of primary organization; 472, with capital of $31,742,800, associations converted from State banks, and 1,225, with capital of $77,237,000, associations organized to succeed State or private banks. Nearly 45 per cent. of the number of banks were conversions and reorganizations, and the capital of banks of this class was nearly 50 per cent. of the capital of all banks chartered.

In March, 1908, charters were granted to 39 banks, with capital of $2,735,000.

On February 14, 1908, reports of condition were received from 6,698 associations with paid in capital stock of $905,549,757; surplus and other undivided profits, $554,437,833 and $188,487,741, respectively. The individual deposits of national banks on that day aggregated $4,105,814,418 and their total resources were $8,396,871,941.

GUARANTEE OF BANK LOANS.

IN an address delivered before the Ohio Legislature recently, Hon. Myron T. Herrick, former Governor of Ohio and chairman of the board of trustees of the Society for Savings, Cleveland, said:

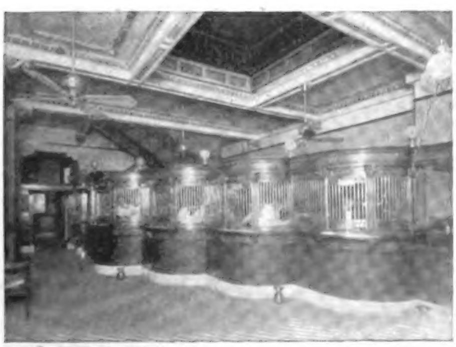
The imposition of a tax to secure bank deposits would create a situation in which one party to a transaction is taxed not for his own benefit but for the benefit of the other party. The absurdity of such a procedure is evident. It would be just as reasonable to tax borrowers to the end that all loans may be secure. Even more so for by this means both depositors and stockholders would be protected; and the burden of the tax would be more widely distributed. Bankers would then be relieved of the necessity of scrutinizing loans, and depositors of examining into the condition of banks. If the borrower does not think that the bank will be in a position to pay on demand the deposit created by the loan, he should go elsewhere for his accommodation, just as the bank if it is not satisfied that the loan will be paid at maturity should refuse to consider it. The guarantee of deposits gives to the borrower a security which the bank cannot require of him.

MODERN FINANCIAL INSTITUTIONS AND THEIR EQUIPMENT

A PROGRESSIVE SOUTHERN BANK.

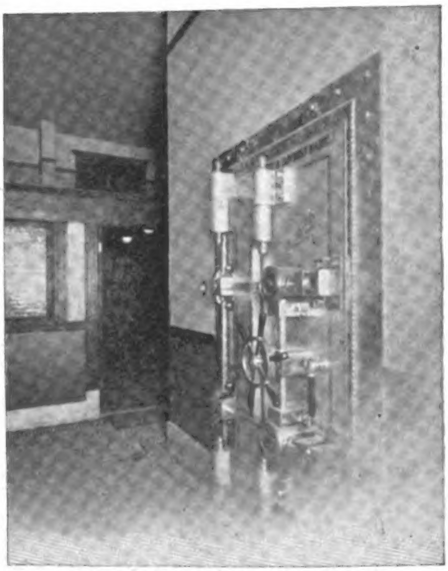
NOTHING more clearly indicates the spirit of enterprise that is fast making Dallas, Texas, known as the leading city of the Southwest, than the manner in which her progressive financial institutions are providing for themselves commodious and handsomely equipped places of business. Among the latest structures of this kind to be erected is a two-story building on Main Street now occupied by the Dallas Trust and Savings Bank. Every detail of finish and workmanship that would add to the comfort of the banking rooms has been carefully looked after and the result is most gratifying to all those interested in the future success of the bank.

In arranging the front of the building, special care has been taken in regard to the proper use of light and ventilation. To the right, as you enter, are the offices of the vice-president and secretary of the Savings Bank and the vice-president of the Title and Guaranty Company. Beyond these, to the right of the lobby, are the cages of the tellers of the Savings, Loan and Rental Departments and the



Bank Counter from the Main Entrance.

office of the Real Estate Officer. The floors of the entrance, lobby and passage to the ladies' room are of vitreous mosaic tile. The woodwork in the entire building is of light English oak, wax finished, and the furnishings of the private offices are in harmony. The walls are finished in oil and decorated; the ceiling enriched with a limited amount of plastic relief, the color-

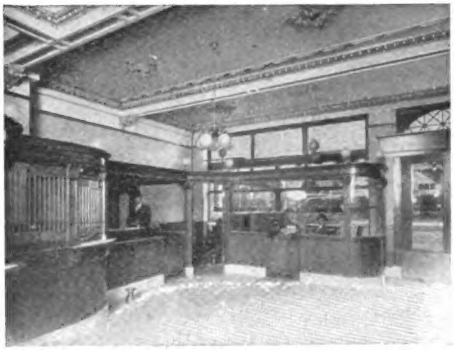


Safety Deposit Vault.

ing of the walls being a soft gray-green and the ceiling old ivory and gold.

Special attention has been given to providing a room for the use of the lady patrons of the bank. This room is at the end of the passage leading from the lobby and conveniently near the safe deposit vault. It is finished in English oak, with beamed ceiling and paneled wainscoting and the east wall is covered by a large mirror. The walls are terra cotta with window drapery and floor covering harmonizing. This room is handsomely furnished with old Mission furniture and all facilities are provided for the comfort and convenience of the lady customers of the bank in the way of desk, telephone, writing material and toilet accommodations.

Adjoining the ladies' room, a private room sufficiently large for the use of sev-



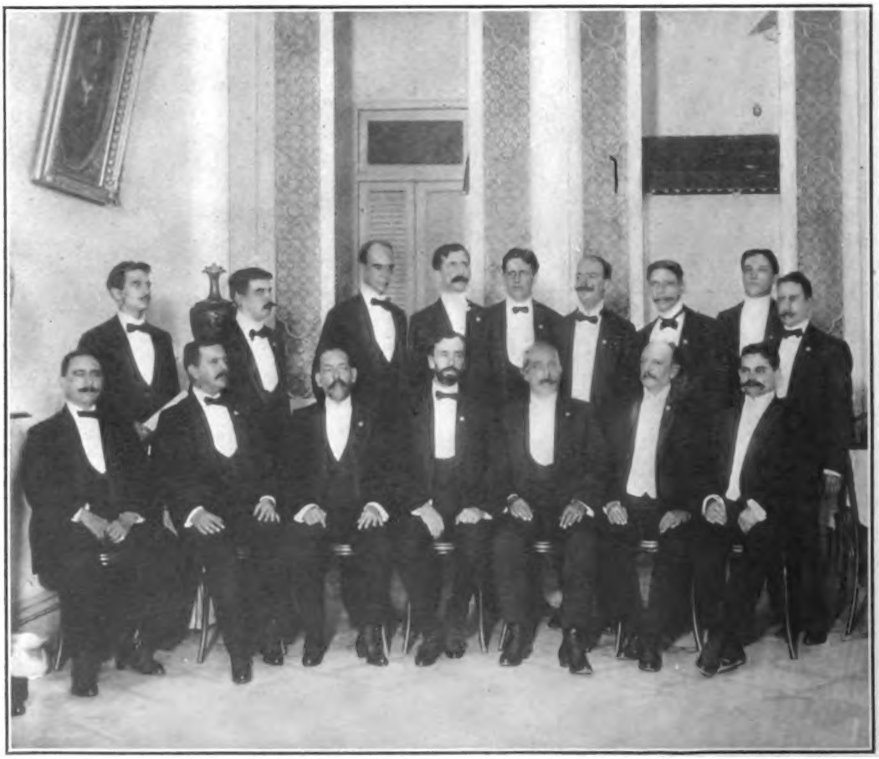
Officers Private Rooms.

eral people has been provided. It is intended to use this as a general room for conferences of committees, trustees or families, who may wish to examine their securities in private. This room is furnished in oak.

Leaving the lobby, you ascend the stairs to a suspended landing, then up to a junction hall, to the right of which is a large office occupied by the Abstract Department. Facing the upper landing is the office of the cashier of the Title and Guaranty Company, and, to the left of this, the spacious offices and library of the Title Department.

To the left of the landing is a large and comfortable room occupied by the clerks of the various departments connected with the bank. Careful consideration has been given to every detail in the arrangement of the second floor of the building, with the result that unusual advantages in the way of light and ventilation are enjoyed by the employees.

Directly in the center of the second story, between the Title and Guaranty offices and the general office of the bank, is located a room devoted exclusively to the use of directors of the companies. This room is handsomely finished and furnished in oak and leather.



NATIONAL BANK OF CUBA.—President and Managers in Cuba.

From left to right:—Laureano Roca, Manager in Camaguey; Francis Seiglie, Auditor; Francisco Salazar, Manager in Santiago; Felipe Montane, Manager in Caibarien; Alberto Segrera, Manager in Manzanillo; W. T. Woodbridge, Manager in Pinar del Rio; Edmund G. Vaughan, President; G. A. Martyn, Manager, Guantanamo; Sherwood F. Yawger, Manager, Matanzas; Francisco P. Machado, Manager, Sagua la Grande; P. Franca, Manager in Havana, Galiano Street 84; P. Lopez Visiedo, Manager in Santa Clara; Carlos Sanz, Manager in Cienfuegos; J. T. Monahan, Manager in Havana, Monte Street 226; Santiago C. Murray, Asst. Manager in Cienfuegos; C. M. Sotolongo, Manager in Cardenas.

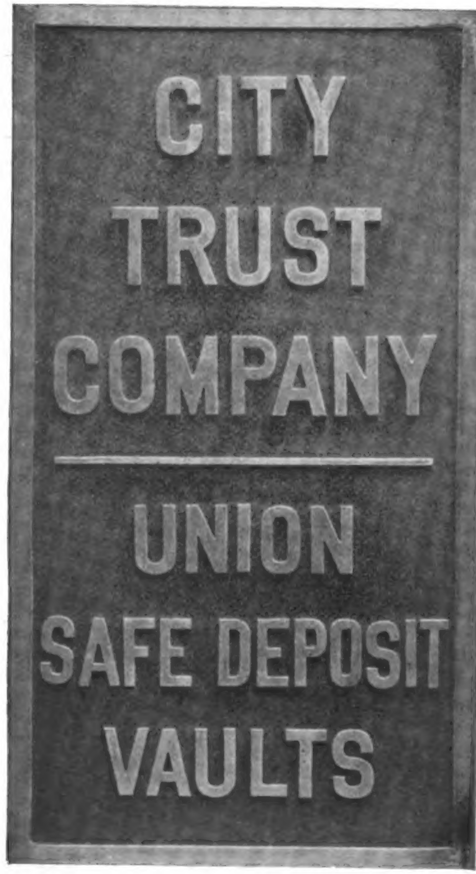
WITH BANKERS MAGAZINE ADVERTISERS.

BRASS SIGNS FOR BANKS.

CUTS are shown herewith of some of the up-to-date brass signs which are now being turned out by C. H. Buck & Co., 309 Washington street, Boston, Mass., who are specializing in this work.

The City Trust tablet was made with sawed brass letters, one-quarter inch thick, mounted on rolled bronze plate with a raised brass border. The receiving teller's sign was two-sided, made on brass with antique finish, the letters being engraved and enamelled in black with brass rope edge, the bracket finished in the same style as the sign. The signs are made in any desired style and design.

Among recent work turned out by Messrs. C. H. Buck & Co. were the metal tablets for the Dime Savings Bank, Hartford, Conn.; Riverside Trust Co., Hartford, Conn.; White River Savings Bank, White River Junction, Vt., and Atlantic National Bank, Boston, Mass. A full set of large bronze letters has also been shipped recently to San Francisco to be placed on the two sides of the new building of the Mechanics Savings Bank.



MODERN VAULT WORK.

BENJ. F. TRIPP, bank engineer of Boston, recently installed a vault for the Manchester, N. H. National Bank, that has caused favorable comment. The steel part of the vault is built on the laminated construction plan, the steel being afterward encased in two feet of reinforced concrete. The vestibule is of fireproof construction, and the enclosure made by the heavy foundation for the main vault is equipped with heavy doors and fitted for the storage of trunks, silver, etc. The locking mechanism is of the latest pattern. The entire weight of vault and masonry is about 340 tons.

ALL BOOKS MENTIONED IN THESE NOTICES WILL BE SUPPLIED AT THE PUBLISHERS' LOWEST RATES BY THE BANKERS PUBLISHING COMPANY, 90 WILLIAM STREET, NEW YORK.

The Bank and the Treasury: Bank Capitalization and the Problem of Elasticity. By Frederick A. Cleveland, Ph.D. (New edition, revised; price $2.) New York: Longmans, Green & Co.

A revision of this work, made in the light of recent financial events, affords a further opportunity for studying banking and currency problems now pressing for solution. Professor Cleveland discusses these problems, thoroughly, dealing with them in their various aspects. He considers especially the matter of adequate capital equipment of our banking institutions—a point to which inadequate attention has been given heretofore.

The questions of which this book treats will have to receive full and intelligent discussion before they can be rightly settled. Professor Cleveland's work will greatly help the banking and financial student in gaining a knowledge of the principles involved.

+

Norway and its Fjords. By M. A. Wyllie. (Illustrated in colors). New York: James Pott & Co.

There seems to have been, of late, an overproduction of works of fiction, and the public taste is said to be turning towards books of travel.

"Norway and Its Fjords" describes a journey to the various points of interest in that part of the Northland, and recites many of the famous legends clustering about Norway's history. It is a book of entertaining description of scenes containing great natural beauty, and is attractively illustrated.

+

Ten to Seventeen: a Boarding-School Diary. By Josephine Daskam Bacon. (Illustrated; price $1.50.) New York: Harper & Bros.

Those who incline to the belief that present-day books are either inane or immoral—or both—will be disposed to revise their opinion after reading "Ten to Seventeen." It has the charm of freshness—makes us see things through the innocent eyes of youth—and is brimming with the most delicious humor. What a rare treat it is to spend a few hours in the wholesome society of these boarding-school misses, to share with them their thoughts, joys and sorrows! We should like to quote at length some of Miss Constantia Van Colt's beautiful poetry, but a couplet must suffice to show the reader what treasures await him (or her):

> No matter how well the subjunctive you know,
> It matters not if to hell you finally go.

From beginning to end, "Ten to Seventeen" is delightful and refreshing.

+

Money, Exchange and Banking in Their Practical, Theological and Legal Aspects. By H. T. Easton. (Second edition; price $2.) New York: Isaac Pitman & Sons.

Though written chiefly from an English standpoint, this volume contains a large amount of useful banking information, universally applicable. Its practical features will make it especially helpful to clerks and junior officers.

+

Marcia Schuyler. By Grace L. H. Lutz Philadelphia: J. B. Lippincott Co.

"Marcia Schuyler" is well termed a "sweet and wholesome romance." It is not only an interesting story that is told, but the characters which are met with in the pages of the book present a relief from those which have been met so much of late in the problem stories with which the public has been surfeited. The character of the heroine is one of the sweetest that has been portrayed for many a day. The scene is laid in Northern New York State and the time is that of the introduction of railway travel in the state. Marcia's husband, David Spafford, was one of the earliest to appreciate the importance of the steam locomotive, and much of the story is connected with his efforts to advance the introduction of travel by rail. It is a book well worth reading.

MONEY, TRADE AND INVESTMENTS

NEW YORK, May 3, 1908.

THE FINANCIAL CONDITION of the Erie Railroad was the chief topic of interest during the early part of the month just closed. For a time a receivership for the property seemed imminent. On the first of the month an issue of $15,000,000 five-year notes was authorized. A few days later a plan was announced for exchanging the $5,500,000 notes falling due for three-year six per cent. secured notes. The refunding plan was a failure, but when the appointment of a receiver seemed near at hand E. H. Harriman supplied the means of retiring the maturing notes by taking $5,500,000 six per cent. notes.

That the Erie should find itself in so serious a predicament, while not a surprise, has naturally called attention to the reorganization which occurred in 1894. The property went into the hands of receivers in 1893 and a reorganization plan was prepared by J. P. Morgan & Co., which at the time met with considerable criticism, as it was believed the obligations incurred imposed too heavy annual charges upon the property. A long period of unprecedented prosperity enabled the Erie to keep out of financial difficulties, although for some time past there have been many reports as to the probability of more trouble. For more than forty years the Erie has figured among the conspicuous railroad properties that were financed to death in their early existence.

The "saving" of Erie last month had a favorable influence upon the stock market which became more active and stronger late in the month. As an indication of the better sentiment prevailing and of the greater ease in money, the placing of a number of loans by railroad corporations last month was received with satisfaction. An offering of $40,000,000 forty-year four per cent. bonds of the Pennsylvania Railroad was subscribed for twenty-five times over. The price at which they were offered was 96. A number of other issues of bonds was successfully placed.

On tne other side there was a reduction in the semi-annual dividend of the Atchison, Topeka & Santa Fe from three to two and one-half per cent. The Norfolk & Western also reduced its dividend from two and one-half to two per cent. The Pennsylvania late in the month reduced its dividend from a seven per cent. basis to six per cent.

The statements of railroad earnings for March show some important changes. The Pennsylvania reported a decrease in gross earnings of $2,169,000 and in net earnings of $544,000. The Union Pacific lost $854,000 gross and $205,000 net. The Northern Pacific, while losing $808,000 gross, gained $125,000 net, and the Southern Railroad also lost $692,000 gross and gained $265,000 net. Some encouragement is to be found in these statements as indicating the successful endeavors of the railroads to cope with the problems which a great loss of traffic has presented. It is not easy to adjust expenses that are normal in good times to decreased revenues in bad times.

The loss of traffic is shown not only in the reported earnings of the railroads, but also in the records of idle cars. In the first half of April nearly 70,000 cars were side-tracked. The number of idle cars on April 15 was 375,870, while on October 30, 1907, there was a shortage of 90,000 cars.

The first wheat crop report for the year was issued last month and was of a favorable character. The condition of the winter wheat crop on April 1 is given as 91.3 per cent., as compared with 91.1 per cent. on December 1 last and with 89.9 per cent. on April 1, 1907. The Produce Exchange committee on statistics has adopted a new system of computation of estimates based on conditions as reported by the government, and this has served to complicate conclusions as to the probable yield of wheat this year. Under the old system the estimate for 1908 would be 493,997,000 bushels, as against 491,000,000 bushels, the April 1, 1907, estimate for that year's crop. Under the new system the estimates are $410,111,000 bushels for 1908, as compared with 397,683,000 bushels for 1907. The banking situation in New York deserves some attention because of the remarkable accumulation of funds which has been going on for some time. At the end of April there was reported a total reserve of $375,000,000. This is an increase in two months of $54,000,000, in part accounted for by the resumption of some of the financial institu-

tions which had been closed temporarily. The increase since January 1 last is $125,-000,000, and since November 23 last, when reserves were at the lowest point in the panic period, $160,000,000.

Since the middle of March the surplus reserve has been steadily increasing, until on May 2 it reached $62,352,900. It would be necessary to go back to November, 1894, to find a surplus as large as the banks now hold. Something of a parallel may be drawn between 1907-8 and that other panic period of 1893-4. Last year the banks reported a deficit on October 26 and it was not until January 11 that a surplus was reached. For eleven consecutive weeks there was a deficit, the maximum of $54,103,600 being reported on November 23. For four weeks, January 11 to February 1, inclusive, the surplus increased rapidly until it was $40,-526,725, when there was a halt and a setback, and it looked as if the history of 1894 was not to be repeated.

The surplus fluctuated around $30,000,000 until March 14, but in the following week jumped to $37,000,000, since which time it has increased $25,000,000 more. Seventeen weeks since the last deficit was reported, and a surplus of $62,000,000 is now piled up. In 1893 the deficit lasted nine weeks and reached its maximum of $16,545,375 on August 12. Eleven weeks after the deficit disappeared there was a surplus of $65,-470,475 and seventeen weeks from the same time the surplus was $80,815,150. The increase continued five weeks longer, or twenty-two weeks in all, when the high record, never exceeded before or since, of $111,623,000 was made. It was not until ten months later that the surplus reserve fell below $50,000,000.

If these events are so shaping that a parallel with 1894 is to be established an accumulation of idle funds in the banks may be looked for. The one argument against it is that the business situation seems much better now than in the dull period which preceded the revival of 1896. Some interesting facts regarding the issue of clearing-house certificates during the recent panic have been published in a report of the Loan Committee of the New York Clearing-House. There were 3,548 certificates issued altogether and the largest amount outstanding at any one time was $88,420,000 on December 16. A table presented herewith shows the use of the certificates in the settlement of balances at the clearing-house with the percentage of certificates to total balances.

The principal feature of the foreign trade movement continues to be an extraordinary decline in imports. The returns for the month of March show an increase over February of a little more than $4,000,000. That difference, however, could be fully accounted for by the greater number of days in March. Compared with March, 1907, there is a decrease of nearly $44,000,000. Exports also show a falling off. Compared

CERTIFICATES USED IN SETTLING BALANCES.

	Total Balances.	Loan Certificates Paid In.	Per cent. of Certificates.
*October, 1907	$64,648,593	$54,460,000	84
November, 1907	218,702,635	211,475,000	96
December, 1907	203,340,855	198,200,000	97
January, 1908	337,895,293	64,575,000	19
Total	$824,587,376	$528,710,000	64

* Five days.

FOREIGN TRADE MOVEMENTS.

	March Imports.	Increase Over Previous Year.	Four Months Ended March 31. Imports.	Four Months Ended March 31. Increase Over Previous Year.
1900	$86,522,456	$13,701,710	$301,987,342	$55,529,234
1901	75,886,834	*10,635,622	278,392,820	*23,594,522
1902	84,227,082	8,340,248	311,645,004	33,252,184
1903	96,230,457	12,003,375	358,384,476	46,739,472
1904	91,347,909	*4,882,548	340,728,909	*17,655,567
1905	110,431,188	19,083,279	408,425,236	67,696,327
1906	113,597,577	3,166,389	425,494,780	17,069,544
1907	133,110,170	19,512,593	517,052,547	91,557,767
1908	89,113,830	*43,996,340	351,108,879	*165,943,668

* Decrease.

with a year ago the decrease is $20,000,000. The effect of the panic of last autumn first began to manifest itself seriously in our import trade last December. Then the volume of imports fell $42,000,000 below the total of the December in the previous year. Each month since the decrease has been in excess of $40,000,000 and for the four months ended March 31 the loss has been nearly $166,000,000. A comparison of the imports in March and from December 1 to March 31 in each of the past nine years is shown herewith:

Since 1901 there has been a series of increases yearly interrupted only once, in 1904, until the present year. March imports this year are the smallest since 1902, while for the four months ended March 31 the imports are $7,000,000 less than in 1902 and smaller than in any other year since, except 1904.

Late in the month the statement of earnings of the United States Steel Corporation was published. It showed a surprising decline in net earnings and a complete wiping out of any margin over the dividends paid during the first quarter of 1908. A year ago the company was being congratulated, not only upon the magnitude of three-quarters per cent. on the preferred stock and one and one-half per cent on the common stock, there was a balance left of only $7,865, as compared with $3,684,576 in 1907. The net earnings were nearly $21,000,000 smaller this year than last, and had the same special funds been appropriated as in 1907, instead of a surplus there would have been a $17,000,000 deficit after paying the usual dividends.

That the problem of preventing wide fluctuations in the iron and steel trade has not been solved, the history of this great corporation demonstrates. It is not necessary to go back more than three years to discover how wide are the extremes of activity in that business. From less than $7,000,000 net earnings a month in 1905 there was an increase to $12,000,000 in that year. In 1906 the net earnings ranged from $11,000,000 to $15,000,000 a month and in 1907 from $12,000,000 to $17,000,000 until December, when they dropped to $5,000,000. In the first three months of 1908 they have varied from $5,000,000 to about $7,500,000. The net earnings by months and quarters since January 1, 1905, are shown in the accompanying table:

The unfilled orders on March 31 were

UNITED STATES STEEL NET EARNINGS.

	1905.	1906.	1907.	1908.
January	$6,810,847	$11,856,375	$12,838,703	$5,052,743
February	6,629,463	10,958,275	12,145,815	5,709,428
March	9,585,586	13,819,840	14,137,974	7,466,834
First Quarter	$23,025,896	$36,634,490	$39,122,492	$18,229,005
April	$9,037,925	$12,581,902	$14,600,838	....
May	10,602,187	14,041,601	16,056,832	....
June	10,665,004	13,501,530	14,846,035	....
Second Quarter	$30,305,116	$40,125,033	$45,503,705	....
July	$9,035,168	$12,242,098	$13,804,167	....
August	10,980,901	13,158,860	15,279,173	....
September	11,218,513	12,713,666	14,720,945	....
Third Quarter	$31,240,582	$38,114,624	$43,804,285	....
October	$12,400,306	$14,984,926	$17,052,211	....
November	11,827,215	13,482,464	10,467,253	....
December	11,051,167	13,277,574	5,034,531	....
Fourth Quarter	$35,278,688	$41,744,964	$32,553,995	....

its earnings, but also upon the large volume of unfilled orders on hand. Both were at the maximum reported for that season of the year. Almost exactly the reverse is true now.

The net earnings for the quarter were $18,229,005, as compared with $39,122,492 for the first three months of 1907. Only about $2,000,000 was deducted for sinking funds, depreciation, additional property construction, etc., as compared with $19,500,000 a year ago, and still after paying one and 3,765,343 tons. On the same date last year they were 8,043,858 tons; in 1906, 7,018,712 tons; in 1905, 5,597,560 tons; in 1904, 4,136,961 tons, and in 1903, 5,410,719 tons.

The situation in the iron trade is not as satisfactory as might be desired, and the production of pig iron on April 1 showed a weekly decrease of 1,847 tons, as compared with March 1. For five months past iron production has been falling off and only 6,415,579 tons were turned out from November 1 to March 31 this year, as com-

pared with 10,900,950 tons last year and 10,197,910 tons in the preceding year. Compared with last year there has been a decrease of 4,500,000 tons.

In each of the four months from December 1 to March 31 there has been a decrease of about 1,000,000 more tons, as compared with corresponding months in the previous year. March, however, shows a larger output than in either January or February.

banks. Deposits on May 2 reached $1,257,759,200 the highest figure ever recorded, the previous high total being $1,224,200,000 on September 17, 1904. This was exceeded on April 11 and each week since. The deposits actually held at the close of the week were even larger than indicated by the statement of averages. They were $1,264,782,100 or more than $7,000,000 in excess of the amount given as the average for the week. During the month deposits increased $68,000,000 while loans show a net increase of $26,000,000. The deposits exceed the loans by $67,000,000 or just about the amount of deposit increase for the month. The reserves are also increasing rapidly, the gain in the last five weeks approximating $40,000,000. It is necessary to go back to 1894 to find as large a surplus reserve held by the banks as is now reported, more than $62,000,000. On February 3, 1894, the surplus reached $111,000,000. Circulation is still being reduced, nearly $3,000,000 being retired by the New York banks last month.

PIG IRON PRODUCTION.

	1905-06. Tons.	1906-07. Tons.	1907-08. Tons.
November	2,013,635	2,187,665	1,828,125
December	2,045,718	2,236,153	1,234,279
January	2,068,893	2,205,607	1,045,250
February	1,904,032	2,045,068	1,079,721
March	2,165,632	2,226,457	1,228,204
Total	10,197,910	10,900,950	6,415,579

The Money Market.—Money is still accumulating in the banks and loaning rates for money on call are low. The withdrawal of public funds from depositary banks this month may tend to stiffen rates somewhat. The demand for time money is light and offerings of commercial paper are small. At the close of the month call money ruled at 1¾@2 per cent., with the majority of loans at 1¾ per cent. Banks and trust companies loaned at 1¾ per cent. as the minimum. Time money on Stock Exchange collateral is quoted at 2¼@2½ per cent. for sixty days, 2½@3 per cent. for ninety days, 3@3¼ per cent. for four months, 3½@3¾ per cent. for five to six months and 4½@4¾ per cent. for over the year on good mixed collateral. For commercial paper the rates are 4@4½ per cent. for sixty to ninety days' endorsed bills receivable, 4@4½ per cent. for first-class four to six months' single names, and 4½@5 per cent. for good paper having the same length of time to run.

New York Banks.—New records are again being made by the clearing-house

Foreign Banks.—The Bank of England reported a decrease in its gold holdings of about $12,000,000 last month while the Bank of France gained about $11,000,000. The Bank of Germany added $22,000,000 to its gold stock while Russia lost $10,000,000. All but Russia have larger holdings than were reported a year ago. That institution shows a decrease of $25,000,000 while France has gained $50,000,000 and England and Germany each $10,000,000.

Foreign Exchange.—Rates for sterling were higher during the greater part of the

Money Rates in New York City.

	Dec. 1.	Jan. 1.	Feb. 1.	Mar. 1.	April 1.	May 1.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Call loans, bankers' balances	5½—12	8 —18	1½—2	1½—2	1½—2	1¾—2
Call loans, banks and trust companies	....	....	1½—	1½-2	1¼—½	1¾—
Brokers' loans on collateral, 30 to 60 days	....	12 —	3 — ½	4 —	3 —	2¼ ½
Brokers' loans on collateral, 90 days to 4 months	12—15	10 —	3 — ½	4 —¼	3¼-4	2½—3¼
Brokers' loans on collateral, 5 to 7 months	....	7 —8	4½—	4½—¾	4 —	3½-¾
Commercial paper, endorsed bills receivable, 60 to 90 days	7 —7½	8 —½	5½—6	4½-5	5 —¼	4 —½
Commercial paper, prime single names, 4 to 6 months	7 —7½	8 —½	5½—6	5 —½	5½—	4 —½
Commercial paper, good single names, 4 to 6 months	8 —	9 —	6 — ½	5½—6	—	4½-5

New York Clearing House Banks—Average Condition at Close of Each Week.

Dates.	Loans.	Specie.	Legal tenders.	Net Deposits.	Surplus Reserve.	Circulation.	Clearings.
Apl. 4...	$1,180,378,700	$281,926,200	$62,252,700	$1,213,954,400	$40,690,300	$60,278,200	$1,428,162,700
" 11...	1,187,411,800	287,144,600	62,501,300	1,225,520,900	43,265,675	59,598,800	1,177,451,400
" 18...	1,195,728,900	298,676,700	64,699,200	1,245,609,900	49,673,425	59,499,300	1,169,701,100
" 25...	1,190,518,200	304,738,100	66,972,600	1,250,903,800	58,984,750	59,365,500	1,156,554,200
May 2...	1,190,455,200	308,045,000	68,747,700	1,257,759,200	62,352,900	58,218,600	1,660,641,400

New York Clearing House Banks—Actual Condition.

Dates.	Loans.	Specie.	Legal Tenders.	Net Deposits.	Reserve Held.
Apl. 4..............	$1,179,474,700	$284,367,100	$61,947,700	$1,214,373,800	$346,264,800
" 11..............	1,196,766,700	291,732,300	63,725,700	1,241,000,100	355,458,000
" 18..............	1,194,607,400	300,164,000	65,231,100	1,248,556,200	365,395,100
" 25..............	1,187,816,400	306,236,400	68,205,700	1,250,822,300	374,442,100
May 3..............	1,194,148,800	309,133,400	68,873,000	1,264,782,100	377,006,400

State Banks and Trust Companies Outside of Clearing House—Average Condition.

Dates.	Loans.	Specie.	Legal Tenders.	Net Deposits.	Gross Deposits.	Reserve on Deposits
Apl. 4........	$810,715,400	$46,410,300	$10,442,100	$652,019,400	$808,843,000	$236,070,300
" 11........	812,523,200	46,342,000	10,786,300	652,202,100	805,770,300	233,636,000
" 18........	806,372,200	46,865,700	11,142,300	654,565,800	819,710,500	246,540,300
" 25........	814,770,800	46,924,600	12,184,000	656,515,500	832,517,100	257,271,900
May 2........	829,127,600	47,095,300	11,689,500	670,188,600	856,926,500	268,392,500

State Banks—Average Condition.

Dates.	Loans.	Specie.	Legal Tenders.	Gross Deposits.	Reserve on Deposits.
Apl. 4..............	$255,697,400	$50,388,400	$19,179,900	$293,025,000	$83,837,400
" 11..............	2 6,686,300	48,635,900	19,216,000	293,087,500	82,667,200
" 18..............	258,412,500	49,: 12,300	19,924,400	296,331,700	86,080,800
" 25..............	257,222,600	49,398,400	20,906,100	299,966,800	56,806,100
May 2..............	260,170,600	53,862,400	20,600,600	306,962,900	92,018,700

Trust Companies—Average Condition.

Dates.	Loans.	Specie.	Legal Tenders.	Gross Deposits.	Reserve on Deposits.
Apl. 4..............	$734,911,400	$42,795,300	$5,671,600	$724,352,700	$215,622,500
" 11..............	736,691,800	42,641,700	5,607,000	720,246,000	212,278,900
" 18..............	728,640,500	43,077,500	5,518,500	731,722,600	222,761,000
" 25..............	737,668,200	42,988,300	6,202,100	742,829,200	233,450,200
May 2..............	751,080,100	43,159,500	5,870,300	766,559,300	244,001,900

Deposits and Surplus Reserve on or About the First of Each Month.

Month.	1906.		1907.		1908.	
	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.
January	$977,651,300	$4,292,575	$981,301,100	$5,369,225	$1,050,925,400	*$20,170,850
February..................	1,061,403,100	11,127,625	1,076,720,000	12,631,100	1,138,501,500	40,526,725
March..................	1,029,545,000	5,008,755	1,038,431,800	3,857,650	1,167,623,700	29,262,675
April..................	1,004,290,500	5,131,270	1,019,817,300	13,131,275	1,189,334,300	89,788,525
May..................	1,028,683,200	10,367,400	1,106,183,300	12,346,775	1,257,759,200	62,352,900
June..................	1,036,751,100	6,816,025	1,128,194,600	12,782,450	....	....
July..................	1,049,617,000	12,055,750	1,092,031,700	2,509,275	....	....
August..................	1,060,116,900	18,892,475	1,099,302,400	7,473,200	....	....
September..................	1,042,057,200	2,869,400	1,046,655,800	8,756,450	....	....
October..................	1,034,059,000	12,540,350	1,055,193,700	5,646,575	....	....
November..................	1,015,824,100	3,049,775	1,051,786,900	*38,838,825	....	....
December..................	998,634,700	1,449,125	1,083,283,300	*52,989,425	....	....

Deposits reached the highest amount, $1,257,759,200, on May 2, 1908; loans, $1,198,078,500 on November 30, 1907, and the surplus reserve $111,623,000 on Feb. 3, 1894.

* Deficit.

Non-Member Banks—New York Clearing-House.

Dates.	Loans and Investments.	Deposits.	Specie.	Legal tender and bank notes.	Deposit with Clearing-House agents.	Deposit in other N. Y. banks.	Surplus Reserve.
Mar. 28	$82,346,100	$92,744,000	$4,748,000	$5,802,100	$13,139,500	$3,136,500	$3,640,100
Apl. 4	82,337,400	95,098,100	4,704,500	5,480,000	15,364,900	3,289,800	5,064,675
" 11	82,955,400	96,272,100	4,875,100	6,104,600	14,515,300	3,795,500	5,222,475
" 18	83,104,900	96,333,200	4,852,800	6,150,400	14,293,700	3,956,900	5,170,500
" 25	83,060,600	97,220,500	5,263,400	6,638,600	13,679,000	4,390,300	5,666,175

Boston Banks.

Dates.	Loans.	Deposits.	Specie.	Legal Tenders.	Circulation.	Clearings.
Mar. 28	$187,168,000	$205,209,000	$18,794,000	$2,755,000	$10,804,000	$120,438,000
Apl. 4	189,022,000	212,480,000	17,643,000	2,936,000	10,804,000	144,268,400
" 11	177,868,000	210,883,000	18,835,000	2,418,000	10,168,000	126,188,500
" 18	180,056,000	220,958,000	20,656,000	2,456,000	10,229,000	146,671,300
" 25	180,289,000	220,432,000	21,862,000	2,516,000	10,560,000	112,340,800

Philadelphia Banks.

Dates.	Loans.	Deposits.	Lawful Money Reserve.	Circulation.	Clearings.
Mar. 28	$218,159,000	$244,335,000	$62,556,000	$17,638,000	$104,599,600
Apl. 4	219,724,000	248,913,000	64,189,000	17,638,000	123,870,400
" 11	222,227,000	252,955,000	65,409,000	17,599,000	106,532,400
" 18	223,065,000	258,469,000	68,041,000	17,514,000	105,777,300
" 25	222,286,000	257,387,000	68,835,000	17,410,000	111,639,000

Gold and Silver in the European Banks.

	Mar. 1, 1908.		April. 1, 1908.		May 1, 1908.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England	£39,320,717	....	£39,722,848	....	£37,350,440	....
France	110,627,822	£36,268,399	110,649,453	£36,069,044	113,885,854	£36,211,550
Germany	34,470,000	14,287,000	30,120,000	12,483,000	34,501,000	14,800,000
Russia	116,063,000	6,070,000	114,113,000	6,812,000	112,107,000	6,956,000
Austria-Hungary	46,511,000	12,573,000	46,652,000	12,953,000	46,623,000	13,434,000
Spain	15,717,000	25,954,000	15,511,000	26,291,000	15,542,000	26,394,000
Italy	36,398,000	4,600,600	36,400,000	4,480,000	36,336,000	4,400,000
Netherlands	7,691,400	4,315,000	7,695,000	4,442,100	7,697,900	4,356,200
Nat. Belgium	4,030,667	2,015,000	4,022,000	2,011,000	4,081,338	2,040,667
Sweden	3,904,000	....	3,899,000	....	3,896,000	....
Switzerland	3,315,000	....	3,376,000	....	3,369,000	....
Norway	1,501,000	....	1,500,000	....	1,670,000	....
Totals	£419,549,606	£106,082,932	£413,661,201	£105,541,144	£417,059,027	£108,092,417

Rates for Sterling at Close of Each Week.

Week ended.	Bankers' Sterling.		Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
	60 days.	Sight.			
Apl. 4	4.8425 @ 4.8430	4.8646 @ 4.8650	4.8675 @ 4.8680	4.84 @ 4.84⅛	4.83¼ @ 4.84¼
" 11	4.8435 @ 4.8445	4.8680 @ 4.8685	4.8700 @ 4.8705	4.84 @ 4.84⅛	4.83½ @ 4.84½
" 18	4.8475 @ 4.8485	4.8710 @ 4.8715	4.8750 @ 4.8755	4.84¼ @ 4.84⅜	4.84 @ 4.84¾
" 25	4.8480 @ 4.8485	4.8730 @ 4.8735	4.8760 @ 4.8765	4.84⅜ @ 4.84½	4.84 @ 4.84¾
May 2	4.8450 @ 4.8460	4.8690 @ 4.8695	4.8725 @ 4.8730	4.84⅛ @ 4.84¼	4.83⅞ @ 4.84⅜

month shading off a fraction during the last week. The supply of bills was small partly because of the small cotton movement. The export engagement of $12,000,000 gold for Paris was the principal event influencing the market.

Money Rates Abroad.—The Imperial Bank of Germany was the only leading European bank to reduce its rate of discount last month. The 5½ per cent. rate made on March 7 last was reduced to 5 per cent. on April 30. The Bank of Eng-

land made no change in its rate which stands at 3 per cent. Discounts of sixty to ninety-day bills in London at the close of the month were 2⅝ per cent., against 2½ per cent. a month ago. The open market rate at Paris was 2⅝ per cent. against 2½@2⅝ per cent. a month ago, and at Berlin and Frankfort 4¼@4¾ per cent., against 4¼ per cent. a month ago.

Silver.—The London silver market was weak during April and the tendency in price was downward until the last day of the month when the lowest price since December last, 24 5-16d. was recorded. The decline for the month was 1¼d.

Foreign Trade.—Compared with March in both of the years 1906 and 1907 the foreign trade movements in March 1908 make a poor showing. This applies to exports as well as imports although the falling off in the latter is the more extensive. Imports in March were valued at $89,000,000 or $4,000,000 more than in the month of February. They are $44,000,000 less than in March 1907 and $24,000,000 less than in the same month in 1906. Exports

Foreign Exchange—Actual Rates on or About the First of Each Month.

	Jan. 1.	*Feb. 1.*	*Mar. 1.*	*April 1.*	*May. 1.*
Sterling Bankers—60 days	4.79 – ¼	4.83⅞ – 84	4.83⅝ – ¾	4.84¼ – ½	4.84½ – ⅝
" " Sight	4.84⅛ – ¼	4.86⅞ – 87	4.86⅝ – ¾	4.86⅜ – ½	4.87 – ⅛
" " Cables	4.85⅜ – ½	4.87⅜ – ½	4.87⅛ – ¼	4.86⅝ – ¾	4.87¼ – ⅜
" Commercial long	4.77¾ 79¼	4.83¼ – ⅝	4.83⅛ – ¼	4.83 – ¾	4.83⅝ – ¾
" Docu'tary for paym't	4.77⅛ – 79¼	4.82¾ – 3½	4.82⅝ – 3⅜	4.83 – 4	4.83¾ – —
Paris—Cable transfers	5.18⅛ – 17½	5.16¼ – 15⅝	5.16⅞ –	5.16¼ – 15⅝	5.15 1/16 – 15
" Bankers' 60 days	5.23⅛ – 22⅛	5.19⅜ – 18¾	5.20 – 19⅜	5.18¾ –	5.18⅛ – 17⅛
" Bankers' sight	5.19¾ – 18¾	5.16¼ –	5.17⅛ – 16⅞	5.16⅞ – ¼	5.15⅝ – —
Swiss—Bankers' sight	5.20⅝ – 20	5.17½ – 16⅞	5.18⅛ – 17½	5.16⅞ –	5.16¼ – —
Berlin—Bankers' 60 days	93⅝ – ¾	94⅜ ½	94 5/16 – 7/16	94½ – ⅝	94¾ – ⅞
" Bankers' sight	94½ – ⅝	95 1/16 – ⅛	95 – 1/16	95¼ – 5/16	95 5/16 – ⅜
Amsterdam—Bankers' sight	39 15/16 – 40	40 5/16 – ⅜	40¼ –	40 3/16 –	40¼ – 5/16
Kronors—Bankers' sight	26½ – ⅝	26⅝ – ¾	26⅝ – ¾	26⅝ – ¾	26¾ – ⅞
Italian lire—sight	5.18¾ – 20⅛	5.16¼ –	5.16⅞ –	5.16¼ – 15⅝	5.16¼ – 15⅝

Bank of England Statement and London Markets.

	Jan. 31, 1908.	*Feb. 29, 1908.*	*Mar. 31, 1908.*	*Apl. 30, 1908.*
Circulation	£28,026,000	£28,810,000	£28,905,000	£28,646,000
Public deposits	8,884,000	17,177,000	15,610,000	9,992,000
Other deposits	42,099,000	43,728,000	43,464,000	43,132,000
Government securities	14,332,000	14,328,000	13,758,000	14,314,000
Other securities	25,836,000	34,840,000	35,439,000	29,480,000
Reserve of notes and coin	28,932,000	29,961,000	29,268,000	27,155,000
Coin and bullion	38,508,150	39,320,717	39,722,849	37,350,440
Reserve to liabilities	56.68%	49.13%	49.50%	51.06%
Bank rate of discount	4%	4%	3%	3%
Price of Consols (2½ per cents.)	86⅛	87 11/16	87 9/16	86 7/16
Price of silver per ounce	25½d.	25 9/16d.	25 5/16d.	24 5/16d.

Monthly Range of Silver in London—1906, 1907, 1908.

Month.	1906. High	1906. Low.	1907. High	1907. Low.	1908. High	1908. Low.	Month.	1906. High	1906. Low.	1907. High	1907. Low.	1908. High	1908. Low
January	30¼	29 11/16	32 7/16	31¼	26¾	25⅛	July	30 7/16	29 13/16	31 15/16	31		
February	30 15/16	30⅛	32⅛	31½	26 9/16	25¼	August	30 15/16	29⅞	32 5/16	31⅛		
March	30 7/16	29	32 1/16	30⅝	25 13/16	25 7/16	September	31¾	30 13/16	31 9/16	31⅛		
April	30 9/16	29⅝	30½	30	25½	24 5/16	October	32 9/16	31 11/16	30⅞	27 7/16		
May	31⅝	30 9/16	31⅛	29 15/16			November	33⅛	32	27 13/16	26 9/16		
June	31 1/16	29⅝	31 1/16	30⅝			December	32 5/16	31 9/16	26 11/16	24 5/16		

Foreign and Domestic Coin and Bullion—Quotations in New York.

	Bid.	*Asked.*		*Bid.*	*Asked.*
Sovereigns	$4.85	$4.88	Mexican doubloons	$15.50	$15.65
Bank of England notes	4.86	4.90	Mexican 20 pesos	19.50	19.65
Twenty francs	3.90	3.96	Ten guilders	3.95	4.00
Twenty marks	4.75	4.80	Mexican dollars	.47	.52
Twenty-five pesetas	4.78	4.82	Peruvian soles	.37¼	.41½
Spanish doubloons	15.50	15.65	Chilian pesos	.37¼	.41½

Bar silver in London on the first of this month was quoted at 24 5/16d. per ounce. New York market for commercial silver bars, 52¾ @ 53½c. Fine silver (Government assay), 52⅞ @ 53⅝c. The official price was 52¾c.

Exports and Imports of the United States.

Month of March.	Merchandise. Exports.	Merchandise. Imports.	Merchandise. Balance.	Gold Balance.	Silver Balance.
1903	$132,093,964	$96,230,457	Exp., $35,863,507	Imp., $ 3,525,130	Exp., $2,185,879
1904	119,888,449	91,347,909	" 28,540,540	" 5,791,704	" 1,990,467
1905	136,978,429	110,431,188	" 26,547,241	" 2,740,808	" 1,659,836
1906	145,510,707	113,597,577	" 31,913,130	Exp., 287,932	" 1,703,973
1907	161,685,228	133,110,170	" 28,575,058	Imp., 2,920,070	" 1,051,964
1908	141,397,578	89,113,830	" 52,283,748	" 2,171,679	" 606,062
Nine Months.					
1903	$1,114,162,027	777,002,217	Exp., 337,159,810	Imp., 21,012,785	Exp., 19,011,434
1904	1,167,835,075	745,710,093	" 422,124,982	" 56,008,452	" 15,813,680
1905	1,145,039,237	8 14	" 305,609,123	Exp., 40,515,988	" 17,533,200
1906	1,343,902,090	913,555,097	" 430,346,993	Imp., 16,890,540	" 18,154,734
1907	1,450,900,099	1,065,845,029	" 385,055,070	" 83,886,469	" 10,252,721
1908	1,497,902,535	930,867,605	" 567,034,930	" 116,554,024	" 10,679,259

were valued at $141,000,000, a decrease of $20,000,000 compared with 1907 and of $4,000,000 compared with 1906. The larger falling off in imports makes the excess of exports over imports greater than for the same month in previous years. The balance is $52,000,000 as against $28,000,000 in 1907. For the nine months ended March 31 the exports were $567,000,000 larger than the imports. An export balance of $100,000,000 in the next three months will bring the net exports for the year ending June 30 above the largest year's balance ever reported. There was $2,000,000 of gold gained by import in March, making for the nine months of the current fiscal year a total of $116,000,000. April will show a loss of about $12,000,000 by export, on the basis of the shipments from New York last month.

National Bank Circulation.—The total amount of notes in circulation increased $1,238,343 last month but the circulation secured by Government bonds was reduced $3,400,000 while the amount secured by deposit of lawful money increased $4,600,000. The money now deposited to retire bank circulation exceeds $72,000,000. The bond secured circulation has been reduced $18,000,000 since January 1 last. The bonds deposited for circulation amount to about $629,000,000, a decrease of $3,500,000 for the month and of $18,000,000 since January 1. About $4,000,000 of bonds deposited to secure public deposits were withdrawn in April.

Government Revenues and Disbursements.—Another deficit, of nearly $16,000,000 was reported in April, making a total deficiency for the ten months of the current fiscal year of $51,600,000. In April 1907 there was a surplus of $5,000,000 shown and in the ten months ended April 30, 1907, a surplus of $56,500,000. For the fiscal year to date the revenues show a loss of $41,000,000 as compared with the previous year while the expenditures have increased $67,000,000. Customs receipts decreased $7,000,000 in April and for the current year are $34,000,000 less than in 1907. In expenditures the largest increases are: civil and miscellaneous, $18,000,000; navy, $20,000,000; pension, $12,000,000, and public works, $16,000,000.

National Bank Circulation.

	Jan. 31, 1908.	Feb. 28, 1908.	Mar. 31, 1908.	Apl. 30, 1908.
Total amount outstanding	$695,402,762	$695,674,519	$696,407,355	$697,645,698
Circulation based on U. S. bonds	641,919,664	632,458,712	628,834,336	625,424,375
Circulation secured by lawful money	53,483,098	63,215,807	67,573,019	72,220,323
U. S. bonds to secure circulation:				
Four per cents. of 1925	17,308,600	16,384,750	16,253,750	15,470,750
Three per cents. of 1908-1918	12,004,720	9,788,520	9,377,120	9,265,700
Two per cents. of 1930	567,561,700	560,353,850	557,277,400	554,263,700
Panama Canal 2 per cents	34,517,300	34,463,040	33,327,800	35,652,780
Certificates of Indebtedness 3 per cent	15,436,500	15,436,500	16,253,750	14,186,500
Total	$646,828,820	$636,426,660	$632,422,570	$628,839,430

The National Banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1925, $8,198,450; 3 per cents. of 1908-1918, $8,076,700; 2 per cents. of 1930, $47,675,700; Panama Canal 2 per cents. $17,776,040; District of Columbia 3.65's, 1924, $2,638,000; Hawaiian Islands bonds, $2,004,000; Philippine loan, $8,911,000; state, city and railroad bonds, $130,493,350; Porto Rico, $770,000; certificates of indebtedness 3 per cent., $———; a total of $226,543,240.

UNITED STATES PUBLIC DEBT.—The deficiency of $16,000,000 in April is reflected in an increase in the net public debt of more than $15,000,000, the amount on May 1 being $925,000,000 as compared with less than $910,000,000 on April 1. The net cash balance was reduced from $412,000,000 to $401,000,000. There was an increase of $4,500,000 in the national bank note redemption account owing to the deposit of lawful money to retire bank circulation. Nearly $12,000,000 gold certificates and $11,000,000, silver certificates were issued during the month making $1,310,000,000 of these certificates now outstanding.

MONEY IN CIRCULATION IN THE UNITED

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.

Source.	April, 1908.	Since July 1, 1907.
Customs	$20,562,061	$243,434,033
Internal revenue	18,585,569	208,771,524
Miscellaneous	4,771,691	51,503,540
Total	$43,919,321	$503,709,097
Excess of receipts	*$15,969,463	*$51,644,615

*Excess of expenditures.

EXPENDITURES.

Source.	April, 1908.	Since July 1, 1907
Civil and mis.	$15,688,282	$124,194,145
War	9,069,838	93,193,555
Navy	11,556,891	99,409,073
Indians	984,070	11,922,623
Pensions	11,491,523	128,810,825
Public works	7,397,772	78,828,610
Interest	3,700,413	19,494,881
Total	$59,888,784	$555,353,712

UNITED STATES PUBLIC DEBT.

	Feb. 1, 1908.	Mar. 1, 1908.	April 1, 1908.	May 1, 1908.
Interest-bearing debt:				
Consols of 1930, 2 per cent	$646,250,150	$646,250,150	$646,250,150	$646,250,150
Loan of 1925, 4 per cent	118,489,900	118,489,900	118,489,900	118,489,900
Loan of 1908-1918, 3 per cent	63,945,460	63,945,460	63,945,460	63,945,460
Panama Canal Loan of 1916, 2 per cent	54,631,980	54,631,980	54,631,980	54,631,980
Certificates of Indebtedness 1908	15,436,500	15,436,500	14,186,500	14,186,500
Total interest-bearing debt	$898,753,990	$898,753,990	$897,503,990	$897,503,990
Debt on which interest has ceased	5,107,205	4,887,095	4,675,215	4,500,695
Debt bearing no interest:				
Legal tender and old demand notes	346,734,298	346,734,298	346,734,298	346,734,298
National bank note redemption acct	51,597,010	62,028,732	66,553,189	81,162,425
Fractional currency	6,863,434	6,863,434	6,862,834	6,862,814
Total non-interest bearing debt	$405,194,742	$415,626,465	$420,150,321	$424,759,537
Total interest and non-interest debt	1,309,055,938	1,319,267,550	1,322,329,527	1,326,764,223
Certificates and notes offset by cash in the Treasury:				
Gold certificates	810,215,869	830,046,869	835,010,869	846,910,869
Silver certificates	464,704,000	457,044,000	452,048,000	463,778,000
Treasury notes of 1890	5,400,000	5,319,000	5,240,000	5,152,000
Total certificates and notes	$1,280,319,869	$1,292,409,869	$1,292,298,869	$1,315,840,869
Aggregate debt	2,589,375,807	2,611,677,419	2,614,628,396	2,642,605,092
Cash in the Treasury:				
Total cash assets	1,814,600,028	1,830,147,441	1,825,868,700	1,839,050,36
Demand liabilities	1,398,182,727	1,411,301,637	1,413,260,510	1,437,453,373
Balance	$416,417,301	$418,845,804	$412,608,190	$401,596,987
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	266,417,301	268,845,804	262,608,190	251,596,987
Total	$416,417,301	$418,845,804	$412,608,103	$401,596,987
Total debt, less cash in the Treasury	892,638,637	900,421,746	909,721,337	925,167,236

MONEY IN CIRCULATION IN THE UNITED STATES.

	Feb. 1, 1908.	Mar. 1, 1908.	April 1, 1908.	May 1, 1908.
Gold coin	$641,496,096	$633,804,057	$629,732,705	$688,168,888
Silver dollars	89,557,092	86,539,225	83,596,986	80,750,394
Subsidiary silver	130,701,055	127,388,912	126,034,150	124,541,160
Gold certificates	769,629,359	791,661,899	808,340,829	817,326,479
Silver certificates	453,413,640	446,191,369	438,181,217	446,257,981
Treasury notes, Act July 14, 1890	5,392,484	5,308,501	5,225,744	5,139,265
United States notes	339,171,655	337,053,315	333,513,309	336,231,579
National bank notes	665,001,318	664,719,363	655,825,794	647,878,355
Total	$3,094,362,699	$3,092,666,641	$3,080,450,734	$3,086,294,101
Population of United States	86,903,000	87,021,000	87,140,000	87,258,000
Circulation per capita	$35.61	$35.54	$35.35	$35.37

MONEY IN THE UNITED STATES TREASURY.

	Feb. 1, 1908.	Mar. 1, 1908.	April 1, 1908.	May 1, 1908.
Gold coin and bullion	$987,104,459	$1,002,044,417	$1,012,632,909	$1,011,098,496
Silver dollars	478,692,890	481,710,757	484,652,996	487,499,588
Subsidiary silver	10,816,738	16,075,711	18,452,313	20,267,842
United States notes	7,509,361	9,627,701	13,167,707	10,449,437
National bank notes	30,401,444	30,955,156	40,581,561	49,767,343
Total	$1,514,524,892	$1,540,413,742	$1,569,6[illegible]7,486	$1,579,082,706
Certificates and Treasury notes, 1890, outstanding	1,228,435,483	1,243,161,769	1,251,747,790	1,268,723,725
Net cash in Treasury	$286,089,409	$297,251,973	$317,939,696	$310,358,981

STATES.—Nearly $6,000,000 was added to the volume of circulation last month, but the total is still $8,000,000 less than it was on February 1. There were $9,000,000 of gold certificates and $8,000,000 of silver certificates put in circulation while $8,000,000 of national bank notes were retired.

MONEY IN THE UNITED STATES TREASURY.—While $9,400,000 was added to the total stock of money in the United States Treasury, there were $17,000,000 of certificates issued, making a decrease in the net cash in the Treasury of $7,600,000. The net gold decreased $11,000,000.

SUPPLY OF MONEY IN THE UNITED STATES.—The total stock of money in the country was reduced in April $1,700,000. The gold supply shows a loss of $3,300,000, which is less than was indicated from the known export movement of gold last month. The gain of $1,700,000 in national bank notes partly offset the loss in gold.

SUPPLY OF MONEY IN THE UNITED STATES.

	Jan. 1, 1908.	Feb. 1, 1908.	Mar. 1, 1908.	April 1, 1908.	May 1, 1908.
Gold coin and bullion	$1,604,530,493	$1,628,600,555	$1,635,848,474	$1,642,565,614	$1,639,267,384
Silver dollars	568,249,982	568,249,982	568,249,982	568,249,982	568,249,982
Subsidiary silver	139,630,494	141,517,793	143,464,623	144,486,463	144,809,002
United States notes	346,681,016	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	690,130,895	695,402,762	695,674,519	696,407,355	697,645,698
Total	$3,349,223,380	$3,380,452,108	$3,389,918,614	$3,398,390,430	$3,396,653,082

BANKING AND FINANCIAL NOTES

NEW YORK CITY.

—The Columbia Trust Co. has removed from its former location at 26 Nassau street to 135 Broadway, corner of Cedar street, where the company has taken a lease of the ground floor, which is considerably larger than its old offices. The new quarters contain the marble and bronze fittings installed by the former tenant.

The Columbia Trust Co. was organized about two years ago and is known as an independent company. Clark Williams was largely instrumental in forming the company and was vice-president up to the time he became superintendent of banks. Willard V. King, until recently vice-president of the New York Trust Co., is president of the Columbia Trust Co., and A. B. Hepburn, president of the Chase National Bank, is chairman of the executive committee.

—According to statistics compiled by the "Journal of Commerce and Commercial Bulletin," the total profits earned by the forty-eight associated banks of New York last year were $24,900,234, which is equal to 8.8 per cent. on the combined capital and surplus of $283,911,100.

In periods of financial stringency banks of ample resources earn larger profits than when surplus capital is superabundant and interest rates are low. Therefore, 1907 was a banner year for the more important institutions, and not only did their net earnings increase but their capital expanded as well, with the result that they are stronger today than ever before.

The following table gives a list of the associated banks that increased their capital last year; the change was made in each case by declaring a stock dividend from surplus, the only exception being the Fourteenth Street Bank, which offered its new stock at $150 per share.

	1906.	1907.	Increase.
Chemical	$300,000	$3,000,000	$2,700,000
Lincoln	300,000	500,000	200,000
N. Y. County	200,000	500,000	300,000
Second	300,000	500,000	200,000
State	100,000	1,000,000	900,000
Fourteenth St.	500,000	1,000,000	500,000
Total	$1,700,000	$6,500,000	$4,800,000

—On May 22, 1907, the Fidelity Trust Company of New York began business with $750,000 capital, and since that day has made splendid gains, both in deposits and in undivided profits. A comparison of its statements at the close of business December 19, 1907, and March 25, 1908, shows a gain of $44,290.54 in the undivided profits account to date, and an increase of $1,045,311.40 in deposits. This is an excellent record of achievement for one year's operations in the banking field and is but another good example of what conservative methods will accomplish in building up an institution like the Fidelity Trust Co.

—Governor Hughes has nominated Clark Williams, of New York, to be State Superintendent of Banks, to succeed himself. He was appointed at the beginning of the year to fill a vacancy. The nomination was immediately confirmed.

—The New York Produce Exchange Bank has declared the regular semi-annual dividend of three per cent. and an extra dividend of one per cent., payable April 15.

The extra dividend is in accordance with the action of the directors during last year

when eight per cent. was paid in two semi-annual dividends, of three per cent. and two extra dividends of one per cent.

—The George M. Coffin and Parshall Co., Public Accountants and Auditors of 115 Broadway, New York, has been organized to undertake the examination of the affairs of banking institutions, industrial and railroad corporations, firms and individuals.

The president, George M. Coffin, former Deputy Comptroller of the Currency, was for twelve years employed in responsible positions in the office of the Comptroller of the Currency at Washington. For eight years he was chief of the reports division and had immediate supervision of the work of all the national bank examiners, besides doing the regular and special work of an examiner himself, for five years. To this valuable experience is added that of an active bank officer in New York City for nine years.

E. V. Parshall, secretary and treasurer of the company, has had fifteen years' experience as an expert accountant. All bank examinations will be under the special supervision of Mr. Coffin.

—On April 14 the Borough Bank of Brooklyn reopened for business, and during the first hour after the doors were opened, twice as much was taken in as was paid out. President Shears declared the bank had considerably more than $1,000,000 in cash and also that the outlook was extremely favorable for its continuing in business.

A. K. Moore is now cashier and the new board of directors is as follows: Paul Grout, William S. Hurley, B. R. Shears, H. T. Ketcham, John H. O'Rourke, Edward D. Ferris, D. L. Thompson, B. Hutton, Alfred Hamilton, Dr. J. E. Sheppard, H. H. Lucke, H. R. L. Rohlfs, T. F. Martin, W. T. Diefendorf and G. A. Helm.

—A new bank building, to cost $75,000, will be built by the First National of Williamsburg, Brooklyn, on a site at Broadway and Havemeyer sts. President Huber says the bank will move into its new quarters on November 1.

— A new bank, the Peoples National of Brooklyn, has been organized and will begin business in the Bushwick section of the borough with a capital of $200,000 and a surplus of $100,000. The organizers are George W. Spence, George C. Miller, Adolphus Gload, James R. Harden and Joseph P. Goodman.

—Frederick Townsend Martin has been made a director of the Metropolitan Trust Co. to take the place of the late Morris K. Jesup.

—On April 10 the first public sale of the stock of the Knickerbock Trust Company was held and two shares were sold at $450 each.

William B. Joyce, president of the National Surety Co., has been elected to the board of directors, and there now remains but one vacancy to fill to complete the directorate of fifteen members.

—Trustees of the American Savings Bank have declared the regular quarterly dividend of one per cent. This is the only savings institution in New York City which pays dividends quarterly. The bank was established in 1882 and now has deposits of well over $2,000,000 and a surplus of $70,000.

—The East Side branch of the Van Norden Trust Co. has removed from 322 Grand st. to remodeled quarters in the old Oriental Bank's branch building at the corner of Grand street and the Bowery.

The property was purchased recently by

the Van Norden Trust Co. and has been thoroughly refitted to accommodate the bank's increased business.

—On April 15 the Lafayette Trust Company and its five branches, of Brooklyn, formerly the Jenkins Trust Co., which suspended last October, reopened with Harold A. Davidson, the new president, in charge.

At the company's main office, Gates and Nostrand avenues, more than $160,000 was deposited during the first two hours of business, twenty new accounts were opened, and the withdrawals did not exceed $3,000.

At each of the branches the same scenes were enacted and hundreds of people came to offer congratulations and express their confidence in the bank's healthy condition and promising outlook for future success.

—Charles H. Imhoff, who was recently elected vice-president of the Chatham National Bank, has been added to the board of directors of that institution. Mr. Imhoff was formerly vice-president of the Ninth National Bank, before its absorption into the old Citizens' National Bank, now the Citizens' Central National Bank.

—White & Company, a new firm of bankers, have opened offices at 25 Pine street. They will make a specialty of first mortgage railroad and corporation bonds. Archibald S. White, who is a director of the Windsor Trust Co., is head of the firm.

—Joseph F. Haggerty, formerly with Bartlett, Frazier & Carrington is now associated with Chas. D. Barney and Company, bankers, at 25 Broad street.

—At a meeting of the trustees of the new Prudential Savings Bank of Brooklyn held April 16, by-laws were adopted and the following officers elected: president, Joseph Vollkommer; first vice-president, Jesse T. Dingee; second vice-president, John H. Scannell; treasurer, Dietrich W. Kaatze; assistant treasurer, Samuel W. Thomas; secretary and counsel, Francis B. Mullin.

The committee on sites is busy endeavoring to find a suitable home for the new institution, which is to be located near the junction of Broadway and Myrtle avenue.

—Gov. Hughes of New York on April 17 signed the bill making it illegal for officers or employees of a bank to make or maintain deposits with other banking institutions, on the understanding or condition that the institution receiving the deposits shall make an advance or loan to any officer of the bank making the deposit with it; also making it unlawful for banking officers to conceal from directors or trustees of their institutions, discounts or loans made by their institutions or the purchases or sales of securities in periods between the regular meetings of boards of directors or trustees, or for officers or employees to receive certificates of deposit under an agreement with the depositor that payment can be made to him in advance of the maturity of such certificates.

—At a meeting of stockholders of the Lincoln Trust Company held April 20 it was voted to reduce the capital stock from $1,500,000 to $750,000. This follows an increase on February 6 last from $1,000,000 to $1,500,000, the additional capital being subscribed by the stockholders and underwritten by the directors. The $750,000 set free will be added to the surplus account, making that $783,000.

—Governor Hughes of New York on April 20 signed the bill of the Assembly

Committee on Banks, which transfers from the Attorney General to the State Superintendent of Banks initiative in the matter of liquidation of moneyed corporations, and gives the Superintendent control in such cases similar to that enjoyed by the Federal Comptroller of the Currency over national banks. This was looked upon as the most important of the series of banking bills passed by the present Legislature, seeking to carry out the recommendations of Superintendent Clark Williams.

The new law provides among other things that institutions or individual bankers of whose property the Superintendent has assumed charge may resume business only with the permission of the Superintendent and on conditions specified by him.

The Superintendent is to conduct the liquidation through one or more special deputy superintendents and is empowered to employ counsel and expert assistance and to direct their compensation out of the funds of the institution, the amount to be approved by the Supreme Court in the judicial district in which the principal office of the insolvent institution or banker is located.

—The Fulton Trust Company of New York made a most interesting report to the Banking Department at the close of business, March 25, and at the same time gave this report in condensed form to the general public.

According to the statement, the company's total resources are well over seven millions of dollars, of which New York city bonds (market value) constitute $680,357.50; investment securities (market value) $1,243,660.00; and bonds and mortgages, $416,000.00. The unique features of this statement, however, are the complete lists of all the New York city bonds, investment securities, and mortgages arranged under schedules A, B and C, giving their names, rate of interest, par value, and market value.

—Further proof that the stronger banks gained steadily through the panic of 1907, while the smaller institutions lost, has been brought to light by the action of the National City Bank in declaring a semi-annual dividend of five per cent., payable May 1, which puts the shares on a ten per cent. basis. The bank increased its capital from $10,000,000 to $25,000,000 in 1902.

During all the period when the capital stood at $10,000,000 the dividend rate was maintained at six per cent. annually.

—Supt. Clark Williams of the State Banking Department has tabulated the reports of the eighty-five trust companies of the state to his department for the quarter ended March 25 and finds that the total deposits have increased to $804,919,703, a gain for three months of $88,451,087. The aggregate of loans on collateral was $410,753,386, which is an increase of about $3,000,000 since December 19.

—It was announced before Supreme Court Justice Crane on April 25 that Manhattan capitalists had offered $1,500,000 in cash to pay off all the depositors in the Williamsburg Trust Company at par if eighty per cent. of the stockholders in the company would consent to this plan for taking over the interests of the company. In spite of the fact that definite action was postponed,

prospects for speedy reopening are good and several plans will be discussed at the next hearing before the court.

American Bank Note Company.—New Executive and Administrative Headquarters.

—The American Bank Note Company of this city on April 20 moved into its new executive offices at 70-72 Broad street. These offices are located in a splendid new five-story building which has been designed especially to meet the company's requirements. The factory will continue at the old location, 78-86 Trinity place.

—On April 23 the Bank of New York N. B. A. reached the 110th anniversary of its occupation of its own building at Wall and William streets. The bank had been in business almost fourteen years when the directors in 1797 decided upon the erection of a building at the corner it now occupies. The earlier days of the bank were spent at 67 St. George Square, which afterwards became Franklin Square.

In 1857 the building which was begun in 1797, was replaced by the present substantial structure.

The Bank of New York was a state institution until 1864, when it took out a charter as a national bank, retaining, however, its old title and merely adding to its name the initials "N. B. A." (National Banking Association).

—The United States Exchange Bank has notified the State Superintendent of Banks that it intends to go into liquidation on account of lack of business. This bank has a capital of $100,000 surplus of $25,000 and total resources of $781,603.

—Application is to be made for the formation of the Plaza Trust Co. of New York, capital of $1,000,000, to be located in the Plaza Hotel.

—The Mutual Alliance Trust Company has transferred its east side branch office, located at 323 Grand street, to the company's new building recently constructed at 266 and 268 Grand street, the upper floors of which will be devoted exclusively to the banking purposes of this institution. In the basement will be located a modern safe-deposit vault and additional facilities for special deposits and foreign exchange departments.

—At the auction sale of rare old coins by Thomas L. Elder, at 32 East Twenty-third street, on May 6, the top figure realized was $360, paid for a scarce variety of $50 gold piece, circular in shape, made by private parties at San Francisco in 1855. An octagonal gold piece of the same denomination, issued by the United States Assay Office in the same city in 1852, brought $145.

The gold coins issued by the private North Carolina mint of Christopher Bechtler, some time in the thirties, brought extremely high prices. One variety of $2.50 gold piece, with the inscription, "Carolina 70 G. 20 Carats," brought $175. Another gold coin of the same denomination, but with the inscription reading "67 G. 21 Carats," sold for $60. Two $5 pieces, struck at the Rutherfordton mint by August and Christopher Bechtler, brought respectively $70 and $50, while the gold dollars, bearing somewhat similar inscriptions, brought from $12 to $15.

A United States half eagle of 1795 brought $71. A copper cent dated 1793

fetched $68; another cent dated 1793 brought $60; still another variety of 1793 fetched $24.

One of the rarest of the half dollars, a very fine specimen of 1797, brought $72, while a silver dollar of 1838, showing a flying eagle on the reverse, of which only eighteen pieces are known, sold for $185.

—In a statement of condition, dated April 10, 1908, the Carnegie Trust Company shows deposits of $6,654,104.59, undivided profits of $95,474.44 and total assets of $10,519,008.98.

Its booklet is handsomely printed and besides giving the figures showing the assets and liabilities has some strong arguments in favor of the trust company.

—The Bankers Trust Company of 7 Wall street is favoring its friends with copies of the new law regulating the reserves of trust companies in New York state, suitably printed in booklet form and designed for ready reference.

NEW ENGLAND STATES.

—D. D. Muir, well known as the organizer and president of the Merchants' National Bank of Worcester, Mass., was, on April 1, elected a vice-president of the First National Bank of Boston.

Mr. Muir began his banking career as a boy in the First National Bank of Lincoln, Nebr., and remained with that institution for over twenty-five years, serving in every capacity up to president. He left this bank in 1900 and accepted a position as national bank receiver and also served as national bank examiner in the Maryland and Virginia district until 1905, just before going to Worcester to form the Merchants' National Bank. The success of that bank in its three years of operations has been due, to a great extent, to the sound judgment and practical experience of its president, Mr. Muir.

The good wishes of a host of friends will follow him as he takes up his new duties with the First National of Boston.

—A new bank building, covering about 12,000 square feet of space, will be erected for the exclusive use of the Old Colony Trust Co. of Boston, just as soon as the old structure is torn down. The new home will have four floors, in addition to the safe-deposit vaults in the basement.

—Elijah C. Johnson has been elected president of the National Exchange Bank of Hartford, Conn., to succeed John R. Redfield, deceased. Henry M. Sperry succeeds Mr. Johnson as cashier.

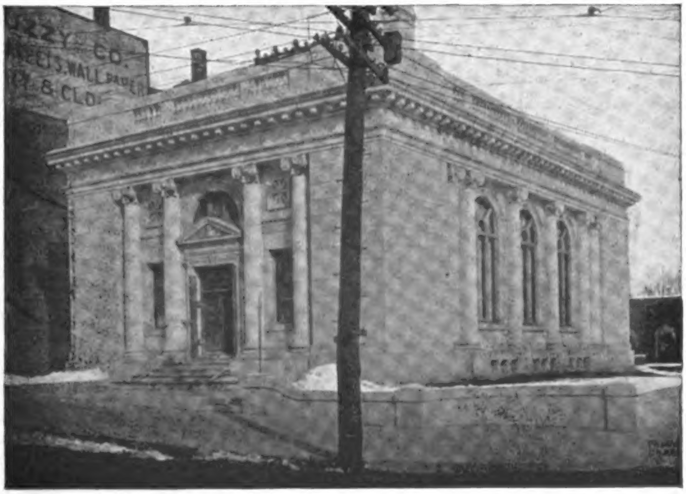
—Senator Rathbone Gardner of Providence, R. I., has been elected president of the reorganized Union Trust Company of that city, which resumed business May 4. A new board has also been selected by the five voting trustees. They are: Gen. William Ames, Edward G. Buckland, Joseph E. Fletcher, Zachariah Chaffee, Herbert F. Hinckley, William A. Copeland, Charles Z. Humphrey, Samuel M. Nickerson, Henry D. Sharpe, Edward D. Pearce, Cornelius S. Sweetland and James M. Scott.

—An elegant bank building, three stories in height, is to be erected by the Berlin (N. H.) National Bank to take the place of the one destroyed by fire in February. The bank's quarters are to be on the ground floor and will be handsomely finished and fitted up.

National Shawmut Bank, the total number of national banks in Boston is reduced to twenty-four. The total was reduced by one last year when the Freeman's National Bank was taken over by the Republic, which now disappears into the Shawmut.

—On April 2 the Manufacturers' National Bank of North Attleboro, Mass., opened its doors to the public. It is capitalized at $100,000 and was organized to take the place of the failed Jewelers' National Bank. Frederick E. Sturdy is president and C. W. Carpenter, cashier.

—The Newton (Mass.) National Bank and the Newton Center (Mass.) Trust Company have united and the new company will be known as the Newton Trust Company, with resources of $2,000,000.



Bristol (Conn.) Trust Company.

—Quite an important deal was completed recently, when the National Shawmut Bank of Boston purchased the good-will and deposits of the National Bank of the Republic, also of Boston, for a consideration which will mean a bonus of $610,000 to stockholders of the Republic.

It is understood that the clerical force of the Republic, numbering something over forty, will be offered an opportunity to continue with the Shawmut and should there later develop a surplus of clerical forces, it is likely that the most efficient will be retained and the remainder given six months salary in advance, before dismissal.

Affairs of the Republic will be liquidated at once and a large dividend declared by tne National Shawmut Bank.

With the absorption of the business of the National Bank of the Republic by the

—The building shown here is the new home of the Bristol (Conn.) Trust Company and is devoted exclusively to the use of that bank. Many excellent features have been embodied in its construction, making it one of the most completely equipped and best arranged buildings in the state.

EASTERN STATES.

—David S. Ludlum has been appointed assistant cashier in charge of credits, of the Philadelphia National Bank of Philadelphia.

—Watson Deputy, for many years cashier of the First National Bank of Camden, N. J., has been elected vice-president of that institution, to fill the vacancy caused by the death of John F. Starr, Jr. He is suc-

ceeded as cashier by H. T. Nekervis, former assistant cashier, who has been connected with the First National since 1879.

—The Boyertown (Pa.) National Bank will erect a modern fireproof building for its home, to take the place of the Opera House which burned and in which 200 persons lost their lives. The materials used in the outside walls will be brick, stone and concrete and the interior of the rooms will be adapted for banking purposes.

—William A. Law, vice-president of the Merchants' National Bank of Philadelphia, spoke at Columbia, South Carolina, before the eighth annual convention of the South Carolina Bankers' Association, held there April 23 and 24.

—At a recent meeting of the directors of the National Newark Banking Company of Newark, New Jersey, Walter M. Van Deusen was appointed assistant cashier.

—W. F. Rose has succeeded E. Roberts as vice-president of the National State Bank of Camden, N. J. He was formerly cashier and is succeeded in that capacity by A. D. Ambruster.

—Officers of the Kutztown (Pa.) National Bank hope to be located in their new building on lower Main street, by the first of November, as the contract for the building has already been awarded. The plans call for a modest structure 25 by 64 feet, finished in Indiana limestone and conveniently arranged inside for the accommodation of the bank's various departments. The lobby and banking-room will be in the front of the building, while a spacious directors' room takes up the rear.

—Charles S. Hinchman was on April 3 elected a vice-president of the Quaker City National Bank of Philadelphia.

—James T. Wachob has retired as cashier and active executive of the Fourth National Bank of Pittsburgh and is succeeded by James S. M. Phillips, for some time assistant cashier.

—Andrew J. Keegan, who has been connected with the Beneficial Saving Fund Society of Philadelphia for thirty-one years, has been elected vice-president to succeed I. J. Dohan, who recently became president.

—On April 16 Thomas H. Bowles was elected president of the Baltimore Trust and Guarantee Company of Baltimore, Md., to succeed Bernard N. Baker. He assumed his duties on May 1.

At the meeting when the choice was determined upon, the retiring president, Mr. Baker, made a brief address in the nature of a valedictory. He dealt chiefly with the future of the company and with Mr. Bowles' qualifications for the office. He said that during the many years of business association with him he had found him to be a man of sagacious business judgment and of sound understanding in commercial affairs.

Most of Mr. Bowles' business life has been spent in life insurance work and he is well known in New York, Washington and Baltimore.

—At the annual election of the Fox Chase Bank of Philadelphia held on April 1, all twelve directors were re-elected. The board organized by electing Richard Y. Filbert, president, Hibbard B. Worrell, vice-president, and J. G. Pence, cashier.

—Depositors of the Enterprise National Bank of Pittsburgh recently received another dividend amounting to five per cent. of their claims. As soon as Receiver Rinaker can realize on outstanding notes, a further

dividend of fifteen or twenty per cent. will be declared.

—In the last number of the Magazine, mention was made of the election of W. Woodward Cloud to the presidency of the Maryland Savings Bank, Baltimore, Md., and this month a portrait of Mr. Cloud is published, together with some interesting facts about his banking career.

His father, the late Daniel Cloud, organized the Maryland Savings Bank in 1881 and became its first treasurer. By zealously

W. WOODWARD CLOUD

President Maryland Savings Bank, Baltimore, Md.

guarding the bank's best interests and making that institution a prominent one in banking circles, he became its president in 1902.

Immediately following the death of Mr. Cloud, which occurred on March 16, 1908, directors of the bank met in special session and chose W. Woodward Cloud to succeed his father as president.

William Woodward Cloud is a native of Baltimore, in whose development he has always taken a deep interest. He received his education in the public schools of that city and took the law course of the University of Maryland.

At the age of seventeen he became connected with the Maryland Savings Bank as a junior clerk and after a career of painstaking and conscientious activity in its behalf was made treasurer.

He has the good will and esteem of the banking community, who are pleased to see his elevation.

MIDDLE STATES.

—The following officers of the Detroit Board of Commerce were elected at a meeting of the directors held April 15: President, George T. Moody; vice-president, Paul F. Bagley; second vice-president, Edward A. Sumner; treasurer, Richard P. Joy; secretary, Ryerson Ritchie.

—Directors of the Union Trust Company of Chicago, on April 14, elected H. A. Wheeler an additional member of the board. Mr. Wheeler is president of the Credit Clearing-House and prominent in the Association of Commerce.

—It has been voted by stockholders of the First National Bank of Detroit to increase the capital stock of tne bank from $750,000 to $2,000,000, so as to make possible the consolidation with the Commercial National Bank. The board of directors was also authorized to increase the number of directors from twelve to not exceed thirty.

If the agreement of the consolidation is carried out, M. L. Williams, president of the Commercial National, will be elected president of the new First National and President John T. Shaw and Vice-President Emory W. Clark will be elected vice-presidents.

—The Superior Savings Bank of Hancock, Michigan, has been succeeded by the Superior National Bank of that city and the new institution will continue in business as before, with the same officers in charge.

This bank has a capital stock of $100,000 and a surplus fund of $50,000. Its deposits were almost a million at the close of business on February 14, and since then they have grown steadily.

C. A. Wright is president; Jacob Baer, vice-president; M. C. Getchell, cashier, and John C. Jeffery, assistant cashier.

—Prominent farmers and business men of Pierson, Ia., have organized the Farmers' Savings Bank, with a capital of $25,000, and will proceed at once to erect a suitable bank home. Directors chosen are: J. A. Bammer, J. F. Brooks, Joe Bierman, George Dewitt and William Horbold. The new officers are: J. F. Brooks, president; Joe Bierman, vice-president; F. F. Nicolls, cashier.

—John Scott, Jr., until recently president of the Northwestern National Bank of Sioux City, Iowa, has been succeeded in that office by J. A. Magoun, Jr., the former cashier. Charles E. Hoflund has succeeded Mr. Magoun as cashier, and J. S. Nelson replaces Mr. Hoflund as vice-president.

—Work on the proposed addition to the Farmers and Mechanics' Bank of Minneapolis, Minn., has begun and will be rushed through in record time.

The plans call for a thirty-foot addition to be built east of the present structure, which will make the building almost as large again as it now is. The Italian style of architecture, that used in the present bank, will again prevail. Instead of two double pillars, as at present, four double pillars will span the front of the building. New fixtures of steel and marble will be installed in the interior.

—A new trust company, to be called the University City Trust Co., is being organized in St. Louis. E. G. Lewis, who operated the People's United States Bank, is the moving spirit. He will be president. The directors are: L. B. Tebbets, J. F. Coyle, Theodore F. Meyer, W. Frank Carter and Lon V. Stephens, former Governor of Missouri.

—Title to the ground and building of the Third National Bank of St. Louis at the southwest corner of Broadway and Olive street, soon to be completed, will be transferred from the Monetary Realty and Building Company to the bank. The property represents an investment of $2,000,000, and is considered to be one of the most valuable pieces of real estate on Broadway.

—Gwynn F. Patterson has been chosen cashier of the Capital National Bank of Indianapolis, Ind., to fill the vacancy caused by the resignation of Hiram H. Moore. His election to this responsible position is in the nature of a reward for his twelve years of faithful service rendered to the bank.

—One of the most prosperous and well regulated savings banks in the state of Michigan, is the State Savings Bank of Benton Harbor. It conducts a commercial and savings department and has installed safety deposit vaults for the use of its customers.

The officers are: John E. Barnes, president; Humphrey S. Gray, vice-president; and William E. Marsh, cashier.

—J. C. Knorpp has replaced David Thornton as vice-president of the Central National Bank of Kansas City, Mo., the latter having been made cashier to succeed J. D. Anderson.

—Some novel methods used in conducting a banking business were brought out on the witness stand in Rochester, Michigan, recently, when A. E. Collins, owner of the defunct bank of that city, was questioned by Attorneys Durand and Axford of Detroit. It appears that Collins also conducted a mercantile business and his books show that the banking and other accounts were badly mixed.

During a period of twenty-two years, he had never struck a balance in his books or found it necessary to take an inventory of his business, and if losses occurred, they were never provided for in any way.

—W. S. Bishop, formerly assistant cashier of the First National Bank of Duluth, Minn., has become connected with the Na-

tional Bank of the Republic of Chicago in the capacity of chief clerk.

—By increasing its permanent surplus to $2,000,000, making capital and surplus $4,000,000, the First National Bank of Minneapolis, Minn., has become the largest bank northwest of Chicago.

—A dividend of eight per cent. to depositors and creditors of the Dixon, (Ia.,) Savings Bank has closed the receivership of the bank and made the depositors happy that they had received a total of fifty per cent. of their money. This bank was forced to close owing to defalcations of the cashier.

—A rare and valuable gold coin was discovered in the National Bank of the Republic, Chicago, the other day. A shipment of gold was received from its Moline, Ill., correspondent and one of the tellers in weighing the gold found among the coins a $20 Colorado gold piece issued by Clark, Gruber & Co. of Denver in the year 1861. The words "Pike's Peak" appear on the band around the Liberty head instead of the word "Liberty."

The National Bank of the Republic immediately communicated with its Moline correspondent asking for instructions as to the disposition of the coin and in the meantime obtained offers from several numismatists, one of them offering as high as $90 for the coin. Word was received from Moline to return the coin and coin collectors are now in communication with the bank at Moline with a view of purchasing it.

SOUTHERN STATES.

—Ben T. Head, W. A. Porter and others have secured a controlling interest in the Citizens' Savings Bank of Birmingham, Ala., and have bought the Alabama National Bank corner, intending to organize a $500,000 to $1,000,000 national bank. The promoters, Mr. Head and Mr. Porter, are both men of considerable experience in banking and intend to make the new institution one of the soundest in the state. Mr. Porter was formerly vice-president of the American Trust Company of Birmingham, and Mr. Head has served as vice-president of the Lexington (Ky.) Banking and Trust Co.

—Group 4 of the Georgia Bankers' Association met in Albany, Ga., on April 8, and enjoyed a most excellent programme, besides being royally entertained by the Albany bankers. A feature of the session was the masterly address delivered by A. P. Coles, cashier of the Central Bank and Trust Corporation of Atlanta. Following the business session the visitors were given a carriage drive to points of interest about the city and at 7 p. m. a reception was held at the home of J. S. Davis, president of the association.

—The Sparta (Ga.) Savings Bank has opened for business with a capital of $25,000 and these men in charge: R. W. Moore, president; Earl Wheeler, cashier.

—As an indication of its prosperous condition the First National Bank of Lynchburg, Va., has awarded the contract for a magnificent building, to be erected at once for its exclusive use. The plans call for a two-story structure of white marble, and when the building is completed it will represent an outlay of $130,000, including site, finishings and equipment.

—Receivers of the Exchange Bank of Macon, Ga., on May 2, paid a dividend of twenty per cent. to the depositors. This is the third dividend paid since the failure of the bank on July 6 of last year.

—The bankers of Group 2 of the Georgia Bankers' Association met at Madison, Ga., April 16 for their annual convention and business session. An interesting programme was rendered and many helpful addresses were given by the members.

—Elegant new fixtures of marble and bronze, costing several thousand dollars, have been contracted for by the Citizens' Bank and Trust Company of Tampa, Fla., and these will be installed at once. John Trice is president and C. E. Allen is cashier of the Citizens' Bank and Trust Company.

—The Fourth National Bank of Macon, Ga., is earning an enviable reputation as a progressive banking institution and its rapid growth and success have been the subject of favorable comment among bank men.

W. M. LEWIS
President Fourth National Bank
Macon, Ga.

But whatever success has come to this bank during the past year and up to the present time, the credit must be given to its officers, who have used such excellent judgment in directing its policies.

W. M. Lewis, the president, is a man of wide knowledge and experience in the banking field, having served as vice-president of the First National Bank of Montezuma, Ga., before coming to Macon eighteen months ago. Chas. B. Lewis, cashier, also served as cashier of the First National at Montezuma before accepting the same position with the Fourth National of Macon.

—Receiver H. N. Morris has been granted permission by the Comptroller of the Currency to declare a forty per cent. dividend on the deposits of the Woods National Bank of San Antonio, Texas, which failed last November. Checks on the United States treasury will be issued to depositors in about thirty days, or after business incident to declaring the first dividend can be straightened out. A debt of $150,000 has been liquidated and it is believed that all depositors will eventually be paid in full.

—J. W. Hoopes, secretary of the Texas State Bankers' Association, has extended an invitation to F. M. Law, assistant cashier of the First National Bank of Bryan, Texas, to respond to the address of welcome at the annual meeting of the association in Fort Worth, June 4, 5 and 6. Mr. Law has accepted.

—Work will be started immediately on a new bank building for the use of the Wharton (Texas) National Bank. It is planned to equip the new quarters with every modern convenience used by banks.

—Several of the leading bankers of Mississippi have promised to aid the Farmers' Union by giving all the financial assistance necessary to keep the cotton crop in union warehouses until September 1.

—At a meeting of the stockholders of the American National Bank of Atlanta, Ga., held on April 17, four new directors were elected. They are William H. Kiser of the M. C. Kiser Shoe Co.; Bartow M. Blount, president of the White Hickory Wagon Co.; Lewis H. Beck, of the Beck and Gregg Hardware Co., and Dr. W. S. Elkin.

The enlargement of the directorate of the new bank carries out the policy announced by President Peel some weeks ago, when it became known that the Maddox-Rucker Banking Company contemplated conversion into a national bank.

The capital of the American National is $500,000 and the surplus and undivided profits $350,000. By May 15, both the capital and surplus will be increased, so as to make a million-dollar bank, with a capital of $600,000 and surplus and undivided profits of more than $400,000.

CHAS. B. LEWIS
Cashier Fourth National Bank
Macon, Ga.

—The eighth annual convention of the South Carolina Bankers' Association convened at Columbia, April 23. The annual address was delivered by President W. D. Morgan, of Georgetown, S. C., followed by reports of officers. Ex-Governor John C. Sheppard responded to addresses of welcome by the Mayor of Columbia and Ex-Governor D. C. Heyward.

There were present several bankers from the North, who in informal discussion, stated that the banks of New York did all they could for the South in the crisis last fall.

The president of the State Farmers' Union addressed the convention asking the co-operation of the bankers in the efforts being made by the farmers to hold their cotton.

WESTERN STATES.

—An excellent statement was made by the Oklahoma National Bank of Shawnee, Okla., to the state banking department at the close of business February 14.

On that date it showed surplus and profits of $33,710.11 and total deposits of $556,806.29.

This enterprising bank has a capital of $50,000 and total resources of $690,516.40. Its officers are: J. W. Rubey, president; J. H. Ware, vice-president; F. B. Reed, cashier; H. E. Coleman and H. A. Pierson, assistant cashiers.

—The First National Bank of Paul's Valley, Okla., has now in the course of construction a $25,000 modern two-story bank building, to be built of clinker brick with stone trimmings. When completed, this structure will compare favorably with any similar building in the new state.

It occupies one of the principal business corners of the city and will be handsomely finished and equipped with all the latest devices for protecting the bank's property.

The First National has the honor and prestige of being one of the few banks in the state having a surplus equal to the capital. S. J. Garvin is president; Tom

Grant, vice-president; Milas Lasater, cashier, and E. W. Low, assistant cashier.

—P. T. Bartley has been elected assistant cashier of the American National Bank of Helena, Montana.

—John Smith, formerly secretary of the Kansas state tax commission, but who recently resigned, has accepted an appointment as national bank examiner for South Dakota, at a salary of $2,000 a year.

—Officials of the First National Bank of Norman, Okla., have had an addition built to their present building which will give the bank fully twice as much floor space and make the interior arrangements much more convenient.

The First National, has a capital stock of $50,000 and a surplus fund of $50,000. The present officers are: E. B. Johnson, president; Chas. S. Smith, vice-president; C. H. Bessent, cashier; William Synott, assistant cashier.

—"For What We Stand" is the heading under which the American National Bank of Oklahoma City, Okla., in its statement of condition February 14, presents its attitude toward the contemplated changes in the state banking laws. The following extract will show the fearlessness of this bank and the confidence which it has in the public by thus announcing its position.

> We believe that the law governing national banks, which has stood the test of half a century, is a better law than can be made by a new legislature under a rush order from a political leader. That the so-called State Guarantee Law, which means that one bank shall guarantee the loans of another, the state not being liable for a dollar, is a farce and was proven so in New York in 1841 where it was tried and failed.
>
> We do not ask other banks to guarantee our loans, and feel that others have no right to ask it of us.

This is signed by President F. P. Johnson and Cashier D. W. Hogan.

—The ownership and control of the Gregory County State Bank, a popular financial institution of Fairfax, S. D., has been taken over by F. W. Woods and D. E. Coffey, president and cashier respectively of the First National Bank of Spencer, Neb. The officers will be: F. M. Widner, president; F. W. Woods, vice-president, and D. E. Coffey, cashier.

—Wm. Bierkamp, Jr., of Denver, Colorado, has resigned the cashiership of the Denver Stock Yards Bank to take the vice-presidency of the Denver and Colorado Securities Company, an organization capitalized at $200,000, and controlled by eastern capitalists. They buy and sell banks, and also deal in farm lands, city property, loans and bonds.

Mr. Bierkamp came to Denver a few years ago from Iowa and has been successful in helping to build up the Denver Stock Yards Bank, one of the strongest financial institutions in the city.

PACIFIC STATES.

—The Crocker National Bank of San Francisco, which has occupied rather cramped quarters for many months, has moved into its handsome new banking room in the Crocker Building, at the corner of Market and Montgomery streets. This room is finished in dull bronze, with a mosaic floor, and all the fittings are in keeping with the bank's enormous business. It has been refinished, since the fire, at a cost of several thousand dollars, and besides giving a great deal of window space it also has three entrances.

—Lombard & Co. have changed the name of their banking institution at Tekoa, Wash., to the Citizens' State Bank.

—The Traders' State Bank of Sandpoint, Ida., has been reorganized and the capital will be increased. The officers are: B. S. Defenbach, president; W. F. Whitaker, vice-president; Rufus Jackson, cashier.

—Application to organize the London, Paris and American National Bank in San Francisco has been approved. The new bank will have a capital stock of $2,500,000 and it will operate largely in the foreign field.

—The Roseville (Cal.) Bank moved into its new building, corner Lincoln and Church streets, and opened for business there on March 18. The Roseville Bank is one of the finest north of Sacramento, and will be one of the show places of Roseville. A reception and demonstration of the new $1,400 burglar alarm and vault protection apparatus were given at night.

—It was decided by the directors of the Cheney State Bank at Cheney, Wash., at a meeting held on March 10, to convert the institution into a national bank, to be known as the Security National Bank of Cheney. W. J. Sutton, Thomas H. Brewer, vice-president of the Fidelity National Bank of Spokane, and R. H. Macartney will continue as president, vice-president, and cashier respectively. The deposits to be taken over amount to $90,000, 60 per cent. of which is now held as a reserve fund. The bank was incorporated sixteen months ago, with capital stock of $25,000.

—The Union Savings Bank of Walla Walla, Wash., has changed its name to the Third National Bank, with a capital stock of $100,000. A. R. Johnson is president; G. E. Kellough, vice-president; Fred W. Wilson, cashier, and O. M. Beatty, assistant cashier.

—L. H. Woolfolk, assistant cashier of the Scandinavian-American Bank has been elected president of the Seattle, Wash., Chapter of the American Institute of Banking and also will be a delegate to the national convention to be held in Providence, R. I. Seattle is working to bring the convention there in 1909.

—A beautiful new bank building is going up in Hemet, Cal., for the use of the Farmers and Merchants' Bank, which will

add materially to the picturesqueness of that city.

It will be classical in design and constructed of cream-enameled brick.

T. E. Rickard is president of this prosperous bank and S. W. Leffingwell is cashier.

—J. T. Humbird has been elected vice-president of the Old National of Spokane, Washington, in place of Peter Larson, deceased.

—An attractive folder, handsomely illustrated, has been sent out by the American National Bank of San Francisco to all of its customers and friends.

All the photographs reproduced were taken from the roof of the Merchants' Exchange building, which is the new home of the American National, and these show the magnificent structures that have been built since the great fire in 1906. In addition to the pictorial pages, there are given some interesting comparisons showing the relative standing of San Francisco and other western cities as regards bank deposits, clearings and building permits.

CANADA.

—The movement which was on foot to amalgamate the Farmers' Bank of Canada and the Winnipeg Bank has collapsed, and the two banks referred to will operate as separate institutions. The failure to amalgamate arose from an inability to arrange the details in a manner satisfactory to the two institutions.

—The branch of the Standard Bank at Cobalt, Ont., is to be closed, when its accounts will be transferred to the branch of the Bank of Ottawa, in operation there.

—It is reported that L. Aubert, the Parisian capitalist and promoter, has secured the $10,000,000 necessary to establish a Canadian-European Trust Co. with headquarters in Montreal. It will be called the Imperial Trust Company and will be in a field of its own.

—The Royal Trust Company of Montreal intends to move from the lower part of the Bank of Montreal Building into the Alliance Building, which was recently bought on its behalf for $335,000. The company has received a permit for alterations to the building which will cost $20,000.

—A branch of the Metropolitan Bank has been opened at Stouffville, Ont., under the management of J. C. Massie, formerly manager of the Stanbridge East and Durham branch of the Sovereign Bank.

—W. J. Jardin, who for the past two years has been manager of the Liverpool

(N. S.) branch of the Bank of Nova Scotia, has resigned his position and has been replaced by F. L. Graham of Campbellton, N. B.

—A banquet was held March 7, at the Algonquin hotel, Sault Ste. Marie, in honor of George C. Wilson, manager of the Imperial Bank of that city. Mr. Wilson has been appointed inspector, with headquarters at Toronto, and as a memento of his stay in the Soo was tendered this farewell banquet and also presented with a handsome silver tea service.

—W. H. Bodman, heretofore manager of the Dutton, Ont., branch of the Traders' Bank of Canada, has been promoted to the managership of the Woodstock, Ont., branch of the same bank.

—In its tenth annual report covering the year 1907, the National Trust Company, Limited, head office at Toronto, gives its capital stock at $1,000,000 and its total resources at $14,318,210.06. Net profits for the year were $133,828.87 of which sum $70,000 was paid in quarterly dividends and $50,000 added to the reserve fund, which now stands at $500,000.

The company continues to grow in public favor as executor and trustee and its business in this connection is constantly expanding.

MEXICO.

—Stockholders of the Banco Minero of Chihuahua, Chih., recently voted a dividend of 11 per cent. and now comes the information that the bank's capital stock will be increased from $5,000,000 to $7,000,000. Senor Don Enrique Creel, Mexican Ambassador to the United States, is one of the largest stockholders.

—Negotiations are in progress, which if carried out will merge the Bank of Yucatan and the Mercantile Bank of Yucatan under the name Peninsular Bank of Mexico. It will have a capital stock of $16,000,000 and $500,000 surplus, Mexican money.

JAPAN.

—At a meeting of bankers at Osaka, which was closed April 18 and at which the chief trade centers were represented, resolutions were adopted asking the Government to observe greater economy in the consideration of financial measures. The resolutions were indorsed by the delegate representing the Government.

—At the end of October, 1907, the Corean branch of the First Bank of Japan had bank notes out representing 11,306,400 yen ($5,653,200), about five times as much as at the end of October, 1904.

—The Industrial Bank of Japan, Limited, with its head office at Tokyo, was established in 1902 and now has a paid-up capital of 16,250,000 yen, equivalent to $8,092,500 of our money.

Profits for the half year ending December 31, 1907, were exceptionally large and J. Soyeda, president of the bank, has recommended to the shareholders the payment of a dividend at the rate of five per cent. per annum.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report.

Applications to Organize National Banks Approved.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

First National Bank, Earle, Ark.; by C. T. Whitman, et al.
First National Bank, Ismay, Mont.; by James Hunter, et al.
First National Bank, Landisville, Pa.; by Amos Cooper, et al.
First National Bank, Waynesboro, Miss.; by E. F. Ballard, et al.
First National Bank, Hillyard, Wash.; by Howard Dykeman, et al.
First National Bank, Orosi, Cal.; by LeRoy G. Smith, et al.
United States National Bank, Dinuba, Cal.; by LeRoy G. Smith, et al.
National Stock Yards National Bank, National Stock Yards, Ill.; by M. W. Borders, et al.
Rocky Ford National Bank, Rocky Ford, Colo.; by Frank Y. Hauck, et al.
Security National Bank, Kansas City, Mo.; by J. D. Anderson, et al.
First National Bank, Harrisburg, Oreg.; by Geo. J. Wilhelm, et al.
American National Bank, Wilmington, N. C.; by W. B. Cooper, et al.
Peoples National Bank, Brooklyn, N. Y.; by Geo. W. Spence, et al.
First National Bank, Okolona, Miss.; by C. R. King, et al.
First National Bank, Lockney, Tex.; by L. T. Lester, et al.
First National Bank, Polson, Mont.; by C. B. Harris, et al.
First National Bank, Riegelsville, Pa.; by Jacob Kohl, et al.
La Plata National Bank, Durango, Colo.; by H. Preston, et al.
First National Bank, Lynden, Wash.; by R. W. Green, et al.
First National Bank, Castle Shannon, Pa.; by Oliver R. Lake, et al.
First National Bank, Croton-on-Hudson, N. Y.; by George Curry, et al.
San Juan County National Bank, Farmington, N. M.; by W. H. Harrington, et al.
National Bank, Oakesdale, Wash.; by W. A. Rolfe, et al.
London, Paris & American National Bank, San Francisco, Cal.; by Herbert Fleishhacker, et al.
National Bank, Mechanicsville, Md.; by Zach R. Morgan, et al.
First National Bank, Deer River, Minn.; by F. P. Sheldon, et al.
First National Bank, Blackduck, Minn.; by F. P. Sheldon, et al.
National Bank, Visalia, Cal.; by C. J. Giddings, et al.
Hailey National Bank, Hailey, Ida.; by J. E. Cosgriff, et al.
Gettysburg National Bank, Gettysburg, S. D.; by Adam Richardson et al.

Applications for Conversion to National Banks Approved.

Bank of Dinuba, Dinuba, Cal.; into First National Bank.
Sanger State Bank, Sanger, Cal.; into First National Bank.
North Chicago State Bank, North Chicago, Ill.; into First National Bank.
State Bank, Kirklin, Ind.; into First National Bank.
North Vernon State Bank, North Vernon, Ind.; into North Vernon National Bank.
Merchants and Farmers Bank, De Ridder, La.; into First National Bank.
Farmers and Merchants Bank, Shelbina, Mo.; into Shelbina National Bank.
First State Bank, Anamoose, N. D.; into First National Bank.
Guardian Savings and Trust Co., Newark, O.; into Park National Bank.

Merchants and Mechanics Bank, Clifton Forge, Va.; into Clifton Forge National Bank.
Cheney State Bank, Cheney, Wash.; into Security National Bank.
First Bank, Pasco, Wash.; into First National Bank.

National Banks Organized.

9078—First National Bank, Goldfield, Nev.; capital, $125,000; Pres., Lucien L. Patrick; Cashier, William B. Hamilton.

9079—Washington National Bank, Ellensburg, Wash.; capital, $50,000; Pres., J. H. Smithson; Vice-Pres., C. H. Stewart; Cashier, C. W. Johnsone. Conversion of Washington State Bank.

9080—National Bank, Cheney, Wash.; capital, $25,000; Pres., Edw. F. Betz; Vice-Pres., Peter C. Hansen; Cashier, C. C. Richardson.

9081—Citizens National Bank, Plainview, Tex.; capital, $100,000; Pres., J. N. Donohoo; Vice-Pres., James B. Posey; Cashier, E. B. Hughes; Asst. Cashier, William Arthur Todd.

9082—First National Bank, Marmarth, N. D.; capital, $25,000; Pres., J. E. Phelan; Vice-Pres., C. P. Allison; Cashier, Robert H. Smith.

9083—First National Bank, Camden, S. C.; capital, $50,000; Pres., C. J. Shannon, Jr.; Vice-Pres's., David R. Williams and W. R. Hough; Cashier, John T. Mackey. Conversion of Commercial Bank.

9084—Valley National Bank, Green Lane, Pa.; capital, $25,000; Pres., J. R. Allebach; Vice-Pres's., Frank Barndt and Mark Hiltebeitel; Cashier, S. F. Cressman.

9085—First National Bank, Kinston, N. C.; capital, $100,000; Pres., N. J. Rouse; Vice-Pres., Henry Tull; Cashier, C. F. Harvey. Conversion of Citizens Bank.

9086—Manufacturers National Bank, North Attleborough, Mass.; capital, $100,000; Pres., Frederic E. Sturdy; Cashier, C. W. Carpenter.

9087—Superior National Bank, Hancock, Mich.; capital, $100,000; Pres., C. A. Wright; Vice-Pres., Jacob Baer; Cashier, M. C. Getchell; Asst. Cashier, J. C. Jeffery. Conversion of Superior Savings Bank.

9088—First National Bank, Millen, Ga.; capital, $25,000; Pres., T. Z. Daniel; Cashier, W. R. Turner. Conversion of Citizens Bank.

9089—First National Bank, Woodbury, Tenn.; capital, $25,000; Pres., H. L. Preston; Cashier, E. A. Brevard. Conversion of Peoples Bank.

9090—Holland National Bank, Holland, Ind.; capital, $25,000; Pres., J. H. Miller; Vice-Pres., A. H. Manntel; Cashier, Argyle Brown.

9091—Farmers National Bank, Manchester, Ohio; capital, $40,000; Pres., A. G. Lockhart, Sr.; Vice-Pres., Wm. L. Vance; Cashier, W. N. Watson. Conversion of Manchester Farmers Banking Co.

9092—First National Bank, Amherst, Neb.; capital, $25,000; Pres., A. U. Dann; Vice-Pres., R. L. Hart; Cashier, A. T. Reynolds; Asst. Cashier, Elma Hanneman.

9093—First National Bank, Inglewood, Cal.; capital $25,000; Pres., C. H. Brown; Vice-Pres., W. H. Kelso; Cashier, W. G. Brown.

9094—First National Bank, Corinth, Miss.; capital $100,000; Pres., S. S. Finger; Vice-Pres's., W. F. Wallace and Geo. C. Taylor; Cashier, M. T. Bynum.

9095—Citizens National Bank, Mount Sterling, Ohio; capital, $60,000; Pres., J. A. Miller; Vice-Pres. and Cashier, S. W. Beale.

9096—National Farmers Bank, Warren, Ill.; capital, $25,000; Pres., R. M. Rockey; Vice-Pres., J. E. Stanton; Cashier, R. C. Cullen.

9097—First National Bank, Englewood, Kans.; capital, $25,000; Pres., B. F. Johnson; Vice-Pres., Wm. E. Herring; Cashier, Cecil W. Newby; Asst. Cashier, J. Marsden. Conversion of Englewood State Bank.

9098—First National Bank, Clinton, Ky.; capital, $50,000; Pres., W. D. Ward; Vice-Pres., S. D. Griffey; Cashier, C. V. Heaslet; Asst. Cashier, W. H. Van Hook.

9099—Farmers National Bank, Richland, Mich.; capital, $25,000; Pres., Wm. F. Doolittle; Vice-Pres., Robert R. Telfer; Cashier, Wilbur C. Whitney.

9100—Montezuma Valley National Bank, Cortez, Colo.; capital, $30,000; Pres., W. H. Ostenberg; Vice-Pres., W. I. Myler; Cashier, George O. Harrison; Asst. Cashier, C. J. Harrison. Conversion of First Bank of Montezuma Valley.

9101—First National Bank, Lind, Wash.; capital, $25,000; Pres., O. H. Greene; Vice-Pres., James Neilson; Cashier, H. S. Snead. Conversion of Farmers and Merchants Bank.

9102—First National Bank, Quincy, Wash.; capital, $25,000; Pres., Thomas Sanderson; Vice-Pres., M. F. Cochran; Cashier, G. E. Sanderson. Conversion of German American State Bank.

9103—First National Bank, Ismay, Mont.; capital, $35,000; Pres., R. L. Anderson; Vice-Pres., David Bickle; Cashier, James Hunter.

9104—Citizens National Bank, Anderson, S. C.; capital, $100,000; Pres., D. P. McBrayer; Vice-Pres., R. A. Lewis; Cashier, J. F. Shumate.

9105—American National Bank, Atlanta, Ga.; capital, $500,000; Pres., W. L. Peel; Vice-Pres., Robert F. Maddox; Cashier, T. J. Peeples; Asst. Cashiers, J. P. Windsor and J. G. Lester. Succeeding the Maddox Rucker Banking Co.

9106—First National Bank, Nashville, Ga.; capital, $25,000; Pres., J. F. Lewis; Vice-Pres., H. B. Peeples; Cashier, J. W. E. Powell; Asst. Cashier, M. E. Hendry. Conversion of Bank of Nashville.

9107—First National Bank, Hegins, Pa.; capital, $50,000; Pres., F. P. Barnd; Vice-Pres., J. W. Heckert; Cashier, V. W. Quigel.

NEW STATE BANKS, BANKERS, ETC.

ALABAMA.

Collinsville—Collinsville Savings Bank; capital $12,000; Pres., O. L. Hall; Vice-Pres., H. P. McWhorter; Cashier, V. M. Brindley.

Cordova—Bank of Cordova; capital, $15,000; Pres., B. F. Borden; Vice-Pres., J. M. Miller; Cashier, M. Long.

ARKANSAS.

Blytheville—Farmers Bank; capital, $25,000; Pres., M. P. Carpenter; Vice-Pres., A. T. Cloar; Cashier, C. W. Beale.

CALIFORNIA.

Oakland—Bank of East Oakland; capital, $25,000; Pres., Lloyd M. Robbins; Vice-Pres., S. S. Austin; Cashier, Hamilton Stiles.

COLORADO.

Ramah—State Bank of Ramah; Pres., Lem. Gammon; Vice-Pres., A. J. Elsner; Cashier, A. T. Thorn.

IDAHO.

Ustick—First Bank of Ustick; capital, $5,350; Pres., H. P. Ustick; Vice-Pres., W. W. Briggs; Cashier, F. A. Freeland.

ILLINOIS.

West Chicago—State Trust and Savings Bank; succeeded Bank of West Chicago; capital, $50,000; Pres., D. A. Syme; Vice-Pres., H. J. Stark; Cashier, G. A. Dayton; Asst. Cashier, P. G. Brown.

INDIANA.

Ambia—Williams, Goodwin & Co. Bank; capital, $12,500; Pres., C. C. Williams; Vice-Pres., Earl Goodwin; Cashier, W. W. Williams; Asst. Cashier, John Gay.

Logansport—Farmers and Merchants State Bank; succeeded A. T. Bowen & Co.; capital, $100,000; Pres., Abner T. Bowen; Vice-Pres., Charles P. McCaffrey; Cashier, G. A. Raub; Asst. Cashier, W. O. F. Hauley.

Muncie—Peoples Trust Co.; succeeded Peoples National Bank; capital, $100,000; Pres., H. M. Winans; Vice-Pres., C. H. Ellis; Sec'y., A. H. Kruse.

IOWA.

Clarksville—German Farmers Savings Bank; capital, $15,000; Pres., J. H. Hickle; Vice-Pres., F. H. Brockmann; Cashier, George A. Stewart.

Corinth—Farmers Savings Bank; capital, $25,000; Pres., E. H. Rich; Vice-Pres., W. C. Oelke; Cashier, Charles J. Naumann.

Spillville—Citizens Bank; indiv. responsibility, $1,000,000; Pres., C. J. Weiser; Vice-Pres., J. H. Haug; Cashier, C. E. Hauser.

Templeton—Templeton Exchange Bank; succeeded Bank of Templeton; Pres., Lida L. Leet; Vice-Pres., Asmus Boysen; Cashier, D. C. Ross.

Troy Mills—Bank of Troy Mills; capital, $10,000; Pres., Floyd J. Ware; Cashier, Thomas A. Ware.

KANSAS.

Victoria—Farmers State Bank; capital, $10,000; Pres., J. A. Mermis; Vice-Pres., A. A. Dreiling; Cashier, A. P. Brungardt.

Wichita—State Mutual Savings Bank; capital, $50,000; Pres., J. Hudson McKnight.

MICHIGAN.

St. Charles—St. Charles State Bank; succeeded St. Charles Bank; capital, $12,500; Pres., E. V. Parsons; Vice-Pres., A. T. Sanderson; Cashier, H. W. Slack.

Waldron—Peoples Bank; capital, $10,000; Pres., J. H. Ruel; Vice-Pres., F. L. Keeler; Cashier, W. B. Shumway.

MINNESOTA.

Lake Crystal—Farmers and Merchants State Bank; succeeded Marston, Larson & Davis; capital, $20,000; Pres., W. P. Marston; Vice-Pres., D. T. Owens; Cashier, L. P. Jones; Asst. Cashier, W. P. Marston, Jr.

Montevideo—Eliason State Bank; succeeded Bank of Montevideo; capital, $25,000; Pres., Gustav Eliason; Vice-Pres., S. G. Eliason; Cashier, A. O. Eliason; Asst. Cashier. A. J. Axness.

Trosky—Citizens State Bank; succeeded Trosky Bank; capital, $10,000; Pres., Henry Ewoldt; Vice-Pres., Q. E. Kiester; Cashier, E. J. Feldman; Asst. Cashier, M. R. Feldman.

MISSISSIPPI.

Starkville—Merchants & Farmers Bank; capital, $25,000; Pres., Jas. W. Norment; Vice-Pres., John K. Kinnard.

MISSOURI.

Columbia—Central Bank; capital, $35,000; Pres., W. T. Conley; Vice-Pres., Geo. B. Dorsey; Cashier, Ira T. G. Stone; Asst. Cashier, Allen Park.

Mansfield—Farmers & Merchants Bank; capital, $10,000; Pres., J. D. Reynolds; Vice-Pres., F. B. Fuson; Cashier, N. J. Craig.

MONTANA.

Eureka—Farmers & Merchants State Bank; capital, $25,000; Pres., C. A. Hamann; Vice-Pres's., Elzeor Demers and M. W. Dupuis; Cashier, L. J. B. Chapman.

NEBRASKA.

Wolbach—Farmers State Bank; capital, $15,000; Pres., C. C. Hansen; Vice-Pres., D. F. McIntyre; Cashier, F. A. Guggewenk.

NEW YORK.

Brooklyn—Prudential Savings Bank; Pres., Joseph Volkommer; Vice-Pres's., Jesse T. Dingee and John Auer; Treas., Dietrich W. Kaatze; Asst. Treas., S. W. Thomas; Sec'y., Francis B. Mullin.

Corfu—Bank of Corfu; capital, $25,000; Pres., C. W. Carrier; Vice-Pres., E. T. Sumner; Cashier, A. F. Bangert.

Southold—Bank of Southold; capital, $25,000; Pres., Albert A. Folk; Vice-Pres's., Howard G. Tuthill and Joseph H. Marshall; Cashier, Albert T. Dickerson.

NORTH CAROLINA.

Hendersonville—Citizens Bank; capital, $30,000; Pres., F. E. Durfee; Vice-Pres., E. W. Ewbank; Cashier, C. E. Brooks.

NORTH DAKOTA.

Medina—German-American State Bank; capital, $10,000; Pres., M. Murphy; Vice-Pres., Peter Karpen; Cashier, Wm. Stege.

Mylo—First State Bank; succeeded First National Bank; capital, $10,000; Pres., C. J. Lord; Cashier, T. G. Simpson; Asst. Cashier, W. L. Simpson.
Napoleon—Merchants Bank; capital, $5,700; Pres., H. C. Tunell; Vice-Pres., M. Savage; Cashier, G. V. Holset.

OKLAHOMA.

Davis—First State Bank; capital, $25,000; Pres., T. V. M. Grant; Vice-Pres., T. H. Slover; Cashier, J. F. Ellis; Asst. Cashier, A. T. Francis.
Emerson—Farmers State Bank; capital, $10,000; Pres., Guy C. Robertson; Vice-Pres., L. T. McAtee; Cashier, W. A. McAtee.
Fitzhugh—Farmers Co-operative Bank; capital, $10,000; Pres., W. L. Meharg; Vice-Pres., J. W. Hattox; Cashier, E. J. Merritt.
Kiefer—Kiefer State Bank; succeeded First National Bank; capital, $10,000; Pres., C. F. Robertson; Vice-Pres., E. C. Bothwell; Cashier, D. C. Sellers.
Lexington—Security State Bank; capital, $10,000; Pres., E. M. Abernathy; Vice-Pres., J. A. Bilan; Cashier, Chas. Greemore; Asst. Cashier, R. M. Evans.
Okemah—Citizens State Bank; succeeded Citizens Bank & Trust Co.; capital, $10,000; Pres., W. H. Dill; Vice-Pres., H. G. Malot; Cashier, M. B. Flesher.
Porter—American Bank; succeeded First State Bank, of Clarksville; capital, $10,000; Pres., I. B. Woodbury; Vice-Pres., E. J. Colvin; Cashier, J. W. Capps.

OREGON.

North Powder—Powder Valley State Bank; capital, $20,000; Pres., H. O. Gorham; Vice-Pres., W. J. Cavender; Cashier, John M. Gilkison.

PENNSYLVANIA.

Philadelphia—American Bank; capital, $50,000; Pres., Geo. W. Shisler; Vice-Pres., John H. Balzley; Cashier, Frank H. Tuft.

SOUTH CAROLINA.

Orangeburg—Planters Bank; capital, $50,000; Pres., W. C. Wolfe; Vice-Pres., M. L. Dunton; Cashier, W. G. Sease.

SOUTH DAKOTA.

Hayti—Central State Bank; capital, $7,000; Pres., A. E. Cole; Vice-Pres., H. H. Curtis; Cashier, John N. Weber.

TENNESSEE.

Mount Joliet—Bank of Mount Joliet; capital, $10,000 Pres., T. H. Freeman; Vice-Pres., J. W. Williamson; Cashier, John W. Wood.

TEXAS.

Ganada—Citizens State Bank; succeeded Silliman Bros. Co.; capital, $30,000; Pres., C. W. Silliman; Vice-Pres., C. W. McCollister; Cashier, C. F. Combs.
Happy—Happy Mercantile & Banking Co.; Capital, $10,000; Pres., A. W. Woods; Cashier, J. R. Durrett.
Onalaska—Onalaska Exchange Bank; capital, $10,000; Pres., William Carlisle; Vice-Pres's., James H. Pearcy and L. O. Jackson; Cashier, E. S. Kane.
Quanah—Quanah State Bank; succeeded J. B. Goodlett; capital, $25,000; Pres., J. B. Goodlett; Vice-Pres's., H. B. Newberry and W. Q. Richards; Cashier, E. M. Tankersley; Asst. Cashier, Claude Holcomb.

VIRGINIA.

Rustburg—Bank of Campbell; capital, $10,000; Pres., S. C. Goggin; Vice-Pres., Frank Nelson; Cashier, E. G. Peerman; Asst. Cashier, J. M. Lawson.

ONTARIO.

Essex—Crown Bank of Canada; Mgr., Geo. B. McClellan.
Ilderton—Home Bank of Canada; Mgr., H. S. Womack.
Monkton—Sterling Bank; Mgr., W. G. Gilfillan.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

Citronelle—First National Bank; no Cashier in place of J. S. Lynch; R. L. Prine, Asst. Cashier.
Florala—First National Bank; H. A. Hughes, Cashier, in place of J. J. Morris; E. C. Dunn, Asst. Cashier.
Huntsville—Henderson National Bank; James Murphree, Vice-Pres., in place of W. F. Garth; M. A. Clay, Vice-Pres.; J. R. Stevens, Cashier, in place of James Murphree; Jno. V. Matthews, Asst. Cashier, in place of J. R. Stevens.
Mobile—City Bank & Trust Co.; G. A. Tonsmeire, Cashier, in place of A. J. Seldon.
Ozark—First National Bank; J. Roscoe Dowling, Asst. Cashier.

ARIZONA.

Globe—First National Bank; P. P. Greer, I. E. Soloman and D. W. Wickersham, Vice-Pres's.; A. J. McKinnon and G. C. Simmons, Asst. Cashiers.

ARKANSAS.

Belleville—Belleville Bank; John Grace, Pres.; T. L. McCormack, Cashier.
Fayetteville—First National Bank; J. R. Harris, Pres., in place of E. F. Ellis; J.

J. Baggett, Vice-Pres.; Urie D. Harris, Asst. Cashier.
Hamburg—Ashley County Bank; J. H. Schaeger, Cashier, in place of T. B. Savage, deceased; V. G. Savage, Asst. Cashier.

CALIFORNIA.

Chico—First National Bank; E. J. Cain, Asst. Cashier.
Niles—Niles State Bank; Edw. A. Ellsworth, Pres., in place of J. Dennis.
San Diego—American National Bank; no Vice-Pres. in place of H. E. Mills.

COLORADO.

Castle Rock—Peoples Bank; title changed to State Bank; Andrew Nickson, Pres.; Samuel R. Dittmars, Vice-Pres.; M. J. Casey, Cashier.
Denver—Denver Stock Yards Bank; William Bierkamp, Jr., Cashier, resigned.—First National Bank; no Vice-Pres. in place of W. S. Cheesman, deceased; no Asst. Cashier in place of T. G. Smith.
Montrose—First National Bank; S. I. Shafer, Asst. Cashier.

CONNECTICUT.

Hartford—National Exchange Bank; E. C. Johnson, Pres., in place of J. R. Redfield; H. M. Sperry, Cashier, in place of E. C. Johnson; no Asst. Cashier, in place of H. M. Sperry.
Middletown—Middlesex County National Bank; E. H. Wilkins, Cashier, in place of W. B. Hubbard; no Asst. Cashier in place of E. H. Wilkins.

DISTRICT OF COLUMBIA.

Washington—American National Bank; R. H. Lynn, Pres., in place of R. N. Harper; William Selby, Cashier, in place of R. H. Lynn.—Merchants & Mechanics Savings Bank; absorbed Traders National Bank; capital increased to $200,000; J. F. Cain, Cashier; H. O. Thompson, Asst. Cashier.

GEORGIA.

Covington—First National Bank; C. C. Robinson, Vice-Pres., in place of J. B. Davis, Jr.
LaFayette—First National Bank; C. F. Dalton, Asst. Cashier.

IDAHO.

Coeur d'Alene—First National Bank; F. W. Tinkel, Cashier, in place of R. Jackson; no Asst. Cashier in place of F. W. Tinkel.

ILLINOIS.

Brookport—Brookport National Bank; H. E. McCartney, Asst. Cashier.
Geneseo—First National Bank; O. W. Hoit, Pres., in place of S. T. Hume, deceased; W. J. McBroom, Vice-Pres., in place of O. W. Hoit.
Libertyville—Lake County National Bank; F. J. Wright, Asst. Cashier.
Moweaqua—First National Bank; J. W. Gregory, Vice-Pres., in place of Will G. Thompson; H. R. Gregory, Cashier, in place of J. W. Gregory; Will G. Thompson, Asst. Cashier, in place of H. R. Gregory.
Neoga—Neoga National Bank; Austin Gilpin, Cashier, in place of G. C. Duensing.
Paris—Edgar County National Bank; Frank F. Hager, Cashier, in place of R. H. Kile.
Petersburg—First National Bank; L. B. Ott, Asst. Cashier.
Westfield—First National Bank; Joseph Goble, Pres., in place of Ed. Duncan.

INDIANA.

Fort Branch—First National Bank; L. S. Bryant, Cashier, in place of Charles Hatch.
Indianapolis—Capital National Bank; G. F. Patterson, Cashier, in place of H. W. Moore.
Montezuma—First National Bank; R. W. Johnston, Asst. Cashier.
Orleans—Citizens Bank; title changed to Citizens State Bank; capital increased to $55,000; Alf. S. Parish, Asst. Cashier.
Roanoke—Bank of Roanoke; title changed to State Bank; capital increased to $25,000; E. E. Richards, Vice-Pres.
Terre Haute—Terre Haute National Bank; W. A. Wilson, Asst. Cashier.
Wabash—First National Bank; Karl Daugherty, Vice-Pres.; P. S. Ragan, Cashier, in place of Karl Daugherty.
Waynetown — Waynetown Bank; title changed to Waynetown State Bank; capital increased to $30,000; V. W. Livengood, Cashier.

IOWA.

Albion—Albion Savings Bank; W. H. Arney, Pres., in place of A. L. Burgett; A. L. Burgett, Cashier.
Algona—Algona State Bank; C. T. Chubb, Cashier, in place of T. H. Langtry; F. W. Dingley, Asst. Cashier.
Bloomfield—Davis County Savings Bank; D. H. Payne, Pres.
Council Bluffs—First National Bank; Jhn. J. Spindler, Cashier, in place of T. G. Turner.
Des Moines—Valley National Bank; C. T. Cole, Jr., Vice-Pres., in place of W. W. Lyons.
Exira—First National Bank; A. Voorhees, Vice-Pres., in place of F. M. Hensley.
Knoxville—Citizens National Bank; no Vice-Pres. in place of A. J. Hanna, deceased.
Manchester—First National Bank; L. L. Hoyt, Vice-Pres.; no Cashier in place of H. A. Granger; F. E. Dutton, Asst. Cashier.
Russell—Russell Bank; title changed to Russell State Bank; capital increased to $25,000; J. N. Jeffries, Pres.; C. D. Smith, Vice-Pres.; P. A. Rockey, Cashier.
Sioux City—Northwestern National Bank; J. A. Magoun, Jr., Pres., in place of John Scott, Jr.; J. S. Nelson, Vice-Pres., in place of C. E. Hoflund; C. E. Hoflund, Cashier, in place of J. A. Magoun, Jr.
Spirit Lake—Spirit Lake National Bank; C. H. Sperbeck, Asst. Cashier.
Stanwood—Stanwood Savings Bank; F. R. McClellan, Pres.; C. L. Rigley, Vice-Pres.

KANSAS.

Liberal—First National Bank; L. A. Etzold, Vice-Pres.
Osborne—Farmers National Bank; no Cashier in place of W. W. Parsons.
Pittsburg—National Bank of Commerce; no Asst. Cashier in place of A. H. Shafer.
Topeka—Capital National Bank; George A. Guild, Cashier.
Toronto—First National Bank; R. Sample, Pres., in place of Edw. Crebo; William M. Konold, Vice-Pres., in place of R. Sample.
White City—First National Bank; H. A. Dodderidge, Asst. Cashier, in place of C. C. Miller.
Winfield—Cowley County National Bank; M. F. Jarvis, Cashier, in place of J. F. Balliet; George G. Gary, Asst. Cashier.

KENTUCKY.

LaGrange—Peoples Bank; R. H. Snyder, Cashier, in place of J. P. Wilson, deceased.

Louisville—Commercial Bank & Trust Co.; I. P. Barnard, Vice-Pres., resigned.
Mount Sterling — Montgomery National Bank; no Vice-Pres. in place of G. G. Hamilton.

LOUISIANA.

New Orleans—Merchants National Bank; title changed to Peoples National Bank.

MARYLAND.

Baltimore—Maryland Savings Bank; William W. Cloud, Pres.
Elkton—National Bank; no Vice-Pres. in place of E. S. France.
Pocomoke City—Pocomoke City National Bank; E. W. Veasey, Pres., in place of William Dale, deceased; no Vice-Pres. in place of E. I. Blaine.
Salisbury—Salisbury National Bank; W. S. Gordy, Jr., Asst. Cashier.
Sandy Spring—First National Bank; J. W. Jones, Vice-Pres., in place of E. C. Gilpin.

MASSACHUSETTS.

Boston—Merchants National Bank; Howard Stockton, Pres., in place of F. Haven, deceased.
Georgetown—Georgetown Savings Bank; S. Nelson, Pres., deceased.
Lee—Lee National Bank; Mark T. Robbins, Vice-Pres.
Newton—Newton National Bank and Newton Center Trust Co. have merged, under title of Newton Trust Co.; capital, $150,000.
Rockland—Rockland Savings Bank; J. A. Torrey, Pres., in place of E. T. Harvell; Anna A. Phelps, Vice-Pres.
Worcester—Worcester County Institution for Savings; Alfred A. Aiken, Pres.; Albert L. Stratton, Treas.; L. M. Lovell, Asst. Treas.

MICHIGAN.

Buchanan—First National Bank; Charles F. Pears, 2d Vice-Pres.; Harry B. Howe, Cashier, in place of Charles F. Pears; A. F. Howe, Asst. Cashier, in place of Harry B. Howe.
Crystal Falls—Iron County National Bank; James J. Gaffney, Cashier.
Durand—First National Bank; F. W. Rayen, Asst. Cashier, in place of J. L. Van Alstine. Rockland—First National Bank; no Asst. Cashier in place of L. Stannard, Jr., deceased.

MINNESOTA.

Dalton—Bank of Dalton; title changed to First State Bank; capital, $10,000; F. G. Barrows, Pres.; E. A. Jewett, Vice-Pres.
Dennison—Bank of Dennison; title changed to State Bank.
Edgerton—Bank of Edgerton; title changed to State Bank; capital increased to $25,000.
Hawley—First National Bank; D. G. Johnson, Asst. Cashier.
Morton—Bank of Morton; title changed to State Bank; F. W. Orth, Pres.; H. Beckman, Cashier.
Ortonville—First National Bank; C. T. Lange, Vice-Pres., in place of T. F. Wilson.
Proctor—Missabe Bank; title changed to Proctor State Bank; capital, $10,000; B. M. Peyton, Pres.; J. W. Krietter, Vice-Pres.; Hamilton H. Peyton, Cashier; F. C. Mitchell, Asst. Cashier.
Waseca—First National Bank; James E. Child, Pres., in place of C. N. Norton; C. P. Sommerstad, Vice-Pres., in place of James E. Child; H. C. Didra, Cashier, in place of C. P. Sommerstad.

MISSISSIPPI.

Philadelphia—First National Bank; Paul J. Rainey, Pres.; M. F. Rogers, First Vice-Pres.; George W. Mars, Second Vice-Pres.; Luther R. McDonald, Asst. Cashier.
Poplarville—National Bank; M. N. McCoy, Cashier, in place of D. L. Batson; no Asst. Cashiers in place of M. N. McCoy and J. J. Scarborough, Jr.

MISSOURI.

Kansas City—Central National Bank; Jno. C. Knorpp, Vice-Pres., in place of D. Thornton; D. Thornton, Cashier, in place of J. D. Anderson.—National Bank of Commerce; Wm. Barrett Ridgely, Pres., in place of W. S. Woods; Geo. T. Cutts, Vice-Pres., in place of W. H. Winants; Edw. Ridgely, Cashier, in place of W. A. Rule; J. F. Meade and W. D. Speelman, Asst. Cashiers, in place of C. H. Moore and J. H. Wheeler; W. H. Glaskin and P. F. Covington.—National Bank of the Republic; F. H. Burrow, Cashier, in place of J. C. Hughes.
Pleasant Hill—Farmers National Bank; George W. Hall, Cashier, in place of A. Gulbransen.

MONTANA.

Fort Benton—Stockmens National Bank; David G. Browne, Pres., in place of C. E. Duer.
Helena—American National Bank; P. B. Bartley, Asst. Cashier.

NEBRASKA.

Burwell—First National Bank; F. A. Johnson, Cashier.
O'Neill—First National Bank; J. F. Gallagher, Asst. Cashier.
Sutton—First National Bank; no Vice-Pres. in place of J. H. Culver; no Asst. Cashier in place of E. E. Culver.

NEVADA.

Rhyolite—First National Bank; T. A. Fleming, Vice-Pres.; F. P. Kerns, Asst. Cashier.

NEW JERSEY.

Asbury Park—Seacoast National Bank; W. A. Berry, Cashier, in place of M. H. Scott.
Bernardsville—Bernardsville National Bank; C. C. Brown, Cashier, in place of E. L. Kitchell.
Camden—First National Bank; Watson Depuy, Vice-Pres., in place of J. F. Starr. Jr.; H. T. Nekervis, Cashier, in place of Watson Depuy.—National State Bank; W. F. Rose, Vice-Pres., in place of E. Roberts; A. D. Ambruster, Cashier, in place of W. F. Rose.
Newark—National Newark Banking Co.; W. M. Van Deusen, Asst. Cashier.
Passaic—Passaic Trust & Safe Deposit Co.; James C. Shearman, Secy. and Treas., deceased.

NEW MEXICO.

Artesia—First National Bank; A. C. Keinath, Asst. Cashier.

Cutter—First National Bank; M. L. Buckner, Vice-Pres., in place of Jno. Gardner; no Vice-Pres. in place of Arthur Wheeler.

NEW YORK.

Akron—Wickware National Bank; no Asst. Cashier in place of F. E. Eldred.
Albany—New York State National Bank; L. H. Hendricks, Cashier, in place of W. G. Nash.
Amityville—First National Bank; C. B. Davis, Cashier, in place of S. J. Carter.
Amsterdam—First National Bank; Jno. K. Warnick, Cashier, in place of T. H. B. Crane, deceased.
Ballston Spa—Ballston Spa National Bank; William G. Ball, Vice-Pres., deceased.
Bath—George W. Hallock Bank; William H. Hallock, Pres., deceased.
Brooklyn—Borough Bank; B. R. Shears, Pres.
New York City—Chatham National Bank; C. H. Imhoff, Vice-Pres.—Citizens Central National Bank; W. M. Haines, Asst. Cashier.—Franklin Savings Bank; Ignatius Radley, Secy., deceased.—Guardian Trust Co.—A. E. G. Goodridge, Vice-Pres. —Lincoln Trust Co.; capital decreased to $750,000; A. S. Webb, Jr., Pres.—New York Trust Co.; Mortimer N. Buckner, Vice-Pres., in place of A. S. Webb, Jr., resigned; F. J. Horne, Third Vice-Pres.; Herbert W. Morse, Secy.—Wells Fargo & Co.'s Bank; H. B. Parsons, Pres., deceased.
Pawling—Pawling Savings Bank; George A. Daniels, Treas.
Red Hook—First National Bank; E. L. Parsons, Cashier, in place of E. H. Weaver.
Syracuse—First National Bank; no Second Vice-Pres. in place of F. W. Barker; A. W. Loasby, Asst. Cashier, in place of J. W. Walter.—Trust and Deposit Co. of Onondaga; A. K. Hiscock, Vice-Pres., deceased.
Warwick—Warwick Savings Bank; John Sayer, Pres., in place of J. H. Holly.
Watertown—National Union Bank; no Vice-Pres. in place of I. P. Powers, deceased.

NORTH CAROLINA.

Charlotte—First National Bank; John F. Orr, Cashier, in place of H. M. Victor.
Fayetteville—Fourth National Bank; J. H. Hightower, Asst. Cashier.

NORTH DAKOTA.

First National Bank; Theo. B. Torkelson, Cashier, in place of R. H. Smith.

OHIO.

Delphos—National Bank; C. D. Hunt, Cashier, in place of E. L. Stallkamp; no Asst. Cashier in place of C. D. Hunt.
Findlay—First National Bank; J. C. Donnell, Pres., in place of C. E. Niles.
Forest—First National Bank; G. S. Johnson, Cashier, in place of W. T. Robinson.
Hamilton—Second National Bank; Oakley V. Parrish, Vice-Pres.
Lancaster—Fairfield National Bank; no Vice-Pres. in place of G. W. Beck, deceased; H. K. Beck, Asst. Cashier.
London—Madison National Bank; J. C. Bridgman, Pres., in place of Chas. Cheseldine.
Middleport—Citizens' National Bank; W. A. Ellis, Vice-Pres., in place of J. B. Downing, Jr.
Plain City—Farmers' National Bank; C. F. Dutton, Pres., in place of Wm. Atkinson; Cephas Atkinson, Vice-Pres., in place of C. F. Dutton; J. R. Woods, Cashier, in place of Cephas Atkinson.
Plymouth—First National Bank; D. Wyandt, Pres., in place of D. F. Irwin; H. H. Fate, Vice-Pres., in place of D. Wyandt.

OKLAHOMA.

Dewey—First National Bank; Ola Wilhite, Pres., in place of Wm. Johnstone.
El Reno—First National Bank; L. A. Wilson, Pres., in place of H. C. Bradford; E. B. Cockrell, Cashier, in place of L. A. Wilson.
Fort Gibson—First National Bank; Frank J. Boudinot, Pres., in place of J. L. Landwirth.
Madill—City National Bank; no Asst. Cashier in place of S. L. Chowning.
McAlester—First National Bank; E. J. Fannin, Pres., in place of F. S. Genung; W. S. Ambrose, Vice-Pres., in place of E. J. Fannin.
Morris—First National Bank; S. O. Schofield, Cashier, in place of W. J. Anicker.
Muskogee—First National Bank; Louis Duncan, LeRoy E. Nabers and C. B. Mills, Asst. Cashiers.
Pauls Valley—Pauls Valley National Bank; N. D. Duffield, Vice-Pres., in place of J. F. Myers; G. L. Wilson, Asst. Cashier.
Tonkawa—Tonkawa National Bank; W. F. Scott, Cashier, in place of Ben Richards; R. O. Adair, Asst. Cashier, in place of R. P. Wycoff.
Verden—National Bank; Ben F. Johnson, Pres., in place of H. B. Johnson; J. E. Jones, Asst. Cashier.
Tulsa—American Banking and Trust Co.; title changed to American Bank; E. J. Colvin, Vice-Pres.; H. A. Earns, Cashier.

PENNSYLVANIA.

Boyertown—Farmers' National Bank; no Asst. Cashier in place of E. B. Stauffer, deceased.
Brookville—National Bank; no Vice-Pres. in place of C. Rogers.
Etna—First National Bank; W. B. Kroesen, Pres., in place of Robert Malone; Henry W. Ochse, First Vice-Pres., in place of W. B. Kroesen; Herman Labowitz, Second Vice-Pres., in place of Henry W. Ochse.
Indiana—Citizens' National Bank; B. S. Sloan, Cashier, in place of H. B. Heylman.
Johnstown—Dollar Deposit Bank; Nathan Miller, Pres.; Wm. H. Strauss, Vice-Pres.
Lemasters—Lemasters National Bank; D. H. Neikirk, Vice-Pres.
Meyersdale—Second National Bank; J. H. Bowman, Cashier, in place of E. M. Beachly.
Philadelphia—Beneficial Savings Fund Society; I. J. Dohan, Pres.; A. J. Keegan, Vice-Pres.—Northwestern National Bank; Aug. W. Woebken, Vice-Pres., and Linford C. Nice, Cashier, in place of Joseph Channon, deceased; no Asst. Cashier in place of Linford C. Nice.—Quaker City National Bank; Chas. S. Hinchman.
Reading—Farmers' National Bank; no Second Vice-Pres. in place of W. K. Eckert.
Stoystown—First National Bank; Ellis C. Boose, Cashier, in place of J. H. Bowman.
Sykesville—First National Bank; Ruth M. Sykes, Cashier, in place of O. L. Howard; no Asst. Cashier in place of Ruth M. Sykes.
Tioga—Grange National Bank; E. B. Dorsett, Vice-Pres.; F. L. Nearing, Cashier, in place of E. B. Dorsett; no Asst. Cashier in place of F. L. Nearing.
Union City—National Bank; J. C. Caflisch, Pres., in place of Wm. Warden.
Winburne—Bituminous National Bank; Burton Merritt, Vice-Pres., in place of H. H. Thompson.

RHODE ISLAND.

Providence—Union Trust Co.; R. Gardner, Pres.

SOUTH CAROLINA.

Charleston—Security Savings Bank; E. H. Sparkman, Pres.; J. A. Johnston, Cashier.
Leesville—National Bank; D. A. Quattlebaum, Asst. Cashier.

SOUTH DAKOTA.

Alexandria—First National Bank; Jacob Schlitz, Asst. Cashier.
Chamberlain—Chamberlain State Bank; A. Shadbolt, Pres.; E. Shadbolt, Vice-Pres.; O. P. Williams, Cashier; F. R. Hunter, Asst. Cashier.

TENNESSEE.

Athens—First National Bank; no Asst. Cashier in place of J. L. Emerson.
Knoxville—City National Bank; W. T. Marfield, Asst. Cashier.

TEXAS.

Alba—Alba National Bank; no Vice-Pres. in place of G. C. Hopkins; A. L. Cain, Asst. Cashier.
Albany—First National Bank; T. E. Dodge, Asst. Cashier.
Burkburnett—First National Bank; O. L. Clark, Asst. Cashier.
Byers—First National Bank; G. W. Byers, Vice-Pres.
Caldwell—Caldwell National Bank; C. C. Nelms, Cashier, in place of T. Kraitchar, Jr.; C. A. Womble, Asst. Cashier.
Center—Farmers' National Bank; R. J. D. Ellington, Vice-Pres.; H. E. Norris, Asst. Cashier, in place of T. T. Smith.
Childress—Childress National Bank; R. H. Norris, Vice-Pres.
Collinsville—First National Bank; Chas. Graham, Asst. Cashier.
Commerce—Planters and Merchants' National Bank; J. T. Jackson, Pres., in place of W. A. O'Neal; A. L. Day, Vice-Pres., in place of J. T. Jackson.
Dallas—Commonwealth National Bank; E. H. Crowdus, Vice-Pres., in place of I. H. Kempner; no Asst. Cashier in place of J. R. Bower.
El Paso—City National Bank; no Cashier in place of R. M. Mayes.
Forney—National Bank; T. J. Pinson, Cashier, in place of G. W. Voiers; J. M. Davis, Jr., Asst. Cashier, in place of L. W. Voiers.
Gatesville—Farmers' National Bank; B. L. York, Vice-Pres.; John M. Washam, Cashier, in place of B. L. York.
Giddings—First National Bank; J. C. Hillsman, Pres., in place of J. A. Fields.
Haskell—Haskell National Bank; G. R. Couch, Vice-Pres., in place of T. E. Ballard; G. E. Langford, Cashier, in place of G. R. Couch.
Houston—First National Bank; O. L. Cochran, Pres., in place of A. P. Root; J. T. Scott, Vice-Pres., in place of O. L. Cochran; W. S. Cochran, Cashier, in place of J. T. Scott.—National City Bank; Jesse H. Jones, Pres., in place of J. M. West; J. M. West, Vice-Pres., in place of L. Davidson.
Leonard—First National Bank; C. C. Miles,

Cashier, in place of W. C. Evans; Joe F. Hall, Asst. Cashier.

Marble Falls—First National Bank; J. R. Yett, Pres., in place of R. H. Evans; Thos. M. Yett, Vice-Pres., in place of Rudolph Ebeling; A. Hughes, Cashier, in place of Otto Ebeling; Aubert Tate, Asst. Cashier.

Mart—Farmers and Merchants' National Bank; no Vice-Pres. in place of J. H. Webb; H. F. Meyer, Cashier, in place of G. D. Campbell.

Rogers—First National Bank; G. T. Thomas, Vice-Pres., in place of B. F. Bullock, deceased.

San Antonio—National Bank of Commerce; J. M. Bennett, Jr., Cashier.

Stamford—Citizens' National Bank; A. L. Putnam, Asst. Cashier.

Stanton—Home National Bank; F. W. Flanagan, Vice-Pres., in place of A. C. Eidson.

Taylor—Taylor National Bank; no Asst. Cashier in place of H. D. Mendel.

Turnersville—First State Bank and First National Bank, consolidated under title of former; capital, $15,000; W. T. McLarty, Vice-Pres.

Waco—Provident National Bank; no Third Vice-Pres. in place of S. F. Kirksey.

Winnsboro—First National Bank; Alf. Morris and S. M. Woodard, Asst. Cashiers, in place of M. C. Morris and R. W. Low.

VIRGINIA.

Buena Vista—People's Bank; capital increased to $15,000.

Gate City—People's National Bank; J. W. Kelly, Vice-Pres., in place of W. C. R. Strong; J. V. Lyon, Vice-Pres.

Orange—Citizens' National Bank; R. C. Booton, Vice-Pres., in place of L. Willis, Jr.; G. J. Browning, Asst. Cashier in place of C. J. Stovin.

WASHINGTON.

Clarkston—First National Bank; W. E. Howard, Vice-Pres., in place of E. D. Thomas.

Krupp—Farmers' Bank consolidated with State Bank under former title; capital increased to $10,000.

Snohomish—First National Bank; A. J. Sherlock, Asst. Cashier, in place of H. A. Kent.

Vancouver—Citizens' National Bank; D. E. Crandall, Asst. Cashier.

WEST VIRGINIA.

Bluefield—American National Bank; S. M. Smith, Pres., in place of W. E. Fowler; Fred L. Black, Vice-Pres., in place of S. M. Smith; no Vice-Pres's. in place of D. G. Lilly, L. G. Toney and E. A. Williams.

Edgerton—First National Bank; E. G. Bussey, Vice-Pres.

Elkins—Elkins National Bank; H. G. Davis, Pres., in place of S. B. Elkins; Lee Crouch, Vice-Pres., in place of H. G. Davis; Mr. Crouch continues as Cashier.

Marshfield—First National Bank; no Asst. Cashier, in place of Jno. Seubert.

Shawmut—German-American National Bank; I. J. Weeks, Asst. Cashier.

Sutton—First National Bank; P. J. Newlon, Asst. Cashier.

WISCONSIN.

Lake Geneva—Farmers' National Bank; F. E. Wormood, Asst. Cashier.

NOVA SCOTIA.

Liverpool—Bank of Nova Scotia; F. L. Graham, Mgr., in place of W. J. Jardine, resigned.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

ARIZONA.

Bisbee—First National Bank; in charge of Receiver, March 24.

ARKANSAS.

Fayetteville—National Bank; in voluntary liquidation, March 17.

CALIFORNIA.

San Francisco—Bank of Greater San Francisco; reported closed.

GEORGIA.

Albany—Third National Bank; in voluntary liquidation, March 31.

KANSAS.

Wichita—Land Credit State Bank; closed March 27.

MASSACHUSETTS.

Boston—National Bank of the Republic; liquidated by National Shawmut Bank, April 6.

Gloucester—First National Bank; in voluntary liquidation, March 26.

Lowell—Prescott National Bank; in voluntary liquidation, March 18.

MISSOURI.

St. Louis—Olive Street Bank; closed April 6.

MISSISSIPPI.

McComb City—Pike County Bank and Trust Co.; in charge of Receiver.

Meadville—Bank of Meadville; reported

NORTH DAKOTA.

Mylo—First National Bank; in voluntary liquidation, March 26.

OHIO.

Toledo—Broadway Savings Bank; reported closed, April 2.

Wauseon—Bank of Wauseon; closed April 21.

OKLAHOMA.

Caddo—Choctaw National Bank; in voluntary liquidation, April 5.

Muskogee—City National Bank; in voluntary liquidation, March 16.

PENNSYLVANIA.

Punxsutawney—Farmers' National Bank; in voluntary liquidation, April 1.

TEXAS.

Alvin—Cummings Bank; reported closed, March 14.

Turnersville—First National Bank; in voluntary liquidation, February 26.

RESUMPTION OF SUSPENDED BANKS.

CALIFORNIA.

Colusa—Farmers and Merchants' Bank; resumer business, April 4.

COLORADO.

Aspen—People's National Bank; resumed business, March 30.

GEORGIA.

Abbeville—Citizens' Bank of Abbeville; resumed business, April 2.

ILLINOIS.

Madison—Tricity State Bank; resumed business, April 2.

MISSOURI.

Kansas City—National Bank of Commerce, resumed business, March 29.

NEW YORK.

Brooklyn—Borough Bank; resumed business, April 14.—Jenkins Trust Co., and five branches, resumed business, April 15, under title of Lafayette Trust Co.

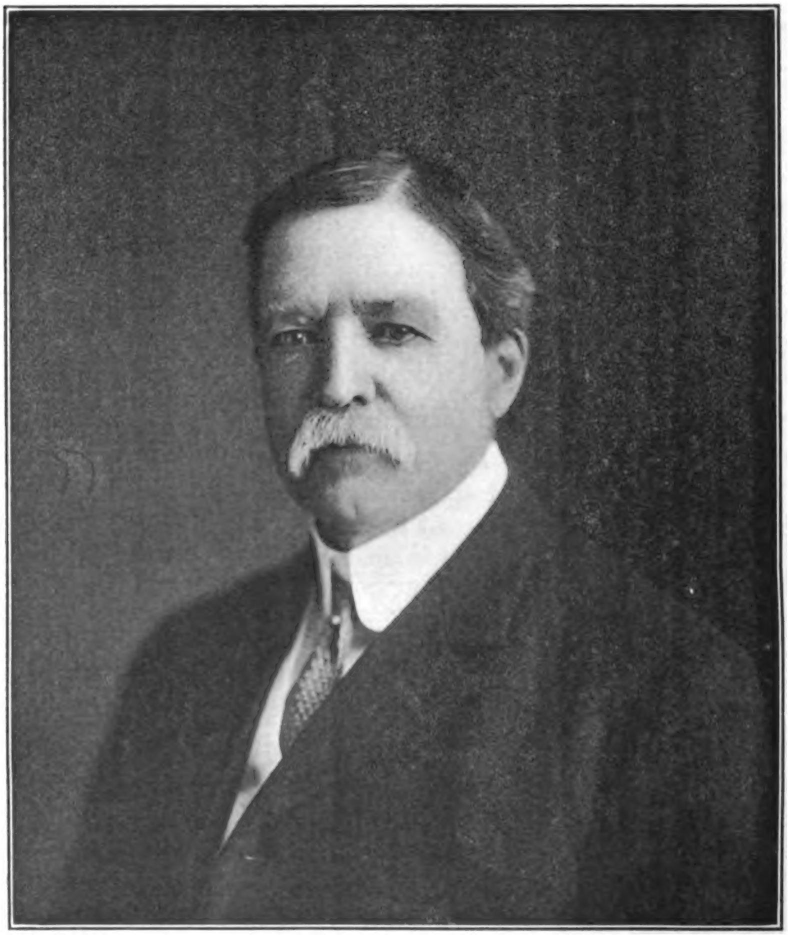
RHODE ISLAND.

Providence—Union Trust Co.; resumed business.

ALEXANDER GILBERT

President New York Clearing-House Association

See Sketch on page 892.



ALEXANDER GILBERT

President New York Clearing-House Association.

(President Market and Fulton National Bank.)

THE
BANKERS MAGAZINE
ELMER H. YOUNGMAN, Editor

SIXTY-SECOND YEAR JUNE, 1908 VOLUME LXXVI, NO. 6

THE NEW CURRENCY LAW.

A Measure for the Benefit of Stock Speculators and Bond Syndicates.

IN order that the position of THE BANKERS MAGAZINE may be made clear with respect to the new currency law, two preliminary statements seem essential:

First.—The editor of this MAGAZINE has always been a Republican.

Second.—He has never proposed any specific plan of currency reform.

Early in the recent session of Congress a bill was introduced in the Senate by Mr. ALDRICH proposing to allow national banks to issue an emergency circulation based upon United States, state, municipal and railway bonds. This bill passed the Senate (after the provision in regard to railroad bonds had been stricken out) and on coming before the House it was referred to the Banking and Currency Committee. A number of the leading bankers of the country, as well as representatives of important commercial organizations, appeared before this committee and condemned the bill in the strongest possible terms. Antagonism to the measure was almost universal. It was finally tabled by the Banking and Currency Committee, and was apparently killed.

Those in control of the legislative programme in the House then took matters out of the hands of the Banking and Currency Committee, and a new bill, named after Mr. VREELAND of New York State, was introduced and passed. The Senate refused to accept this bill as the House had refused to accept the Aldrich Bill. Conferees were appointed on behalf of the two houses, but after prolonged conferences, they failed to agree. Then, when the session was nearing its close, extraordinary efforts were resorted to for forcing a financial bill through at the last moment when it would be too late for public opinion to make itself felt in opposition. To insure the success of this scheme a qualified form of bribery was employed. The public buildings bill—commonly known as the "pork bill"—was held over the heads of members as a club to force them to come to an agreement on the currency bill. This public buildings bill carried, we believe, appropriations amounting to $23,000,000, apportioned among Congress districts in various parts of the country. To get a share of these appropriations is regarded by the average Congressman as the one tangible evidence of his efficiency as a servant of his particular district. His failure to secure an appropriation for a public building of some kind, in his district, is regarded as a mark of incompetency. That the public buildings bill was used to force currency legislation, substantially as described above, was openly proclaimed. It was coercion if not bribery. As an American we regret to say this. But the facts, ugly as they are, must be set down as a part of the rec-

ord of this disgraceful episode, of which the New York "Journal of Commerce" justly says, "A more degrading and humiliating exhibition of unscrupulous abuse of the power of legislation by a national body it would be hard to find in all history."

And why was this bill passed? Was it favored by men whose study and experience qualify them as experts? No. Not one of these men, so far as we know, defends this law. All of them with whom we have talked or whose views we have read, denounce it. Then why was the law enacted?

In our opinion the new currency law was passed for two reasons:

First.—Certain ill-informed politicians believed currency legislation of some kind to be a political necessity in view of the approaching national election.

Second.—Certain powerful financial interests that contribute large amounts to the Republican campaign fund will be enriched by the appreciation of securities to be used as a basis for bank circulation under the new law.

As to the first of these reasons, it may be said that if the Republicans had passed a sound and honest measure, designed to benefit the whole country, they could have gone into the campaign with clean hands, and would have had a good chance of winning. For there are few things of more importance to the producer, the wage-earner and the merchant than an absolutely sound and scientific currency system. But a law that will chiefly benefit stock speculators and bond syndicates can hardly be considered a good political asset.

As to the second of these reasons, it is no doubt true that certain financial interests holding bonds which may be used as a basis for bank circulation under the new law will profit largely by the enhancement in the price of their bonds. Whether the law is made use of or not, the mere fact that these other bonds are made available as a basis of bank circulation will, from its sentimental effect alone, cause an appreciation in their price. In fact, should the principle of this law be permanently embodied in our banking law —and that is what is aimed at—there need no longer be any "indigestible securities." The syndicates can buy the bonds, and gradually work them off on the public through the banks, for in the end a bond-secured bank note is only a part of the bond upon which the note is based. The syndicates will buy these bonds, turn them over to their banks, and these in turn will put them up with the Treasury for so-called bank notes (actually non-interest-bearing bonds in small denominations) and these will be handed out to the people instead of money. This will help create a market for the securities made available as a basis for bank circulation. Heretofore the only bonds that could be used to secure the circulating notes of the national banks were United States bonds. Now the door is opened to a miscellaneous class of securities.

The currency that may be issued under the new law will not be of any benefit to legitimate production and trade. It will be of service to Wall Street speculation and will boom the securities dealt in by bond syndicates.

In framing the law the wage-earner, the farmer, the merchant, the manufacturer and all legitimate business interests seem to have been completely ignored and the Wall Street speculator and the powerful financial syndicates most tenderly cared for.

The Republican politicians in forcing through a measure of this character have shown an utter contempt for public opinion. They seemed bent only on placating certain "interests," re-

gardless of the welfare of the business community. To carry out their plans they were compelled to resort to coercion and constructive bribery.

We shall not at this time enter upon a discussion of the details of this law. They seem of little importance. But, involved in its passage, is a question of momentous import to the people of the United States. It is this: *Shall the currency laws be enacted and administered for the people's benefit or for the benefit of speculators and bond syndicates?*

That is the main issue now to be decided. At present the speculators and the syndicates have triumphed. The former are furnished with unlimited supplies of currency to carry on their operations and the latter are provided with a market for their securities, enabling them to reap practically unlimited profits. The men who toil and sweat to produce the nation's wealth; the men whose capital and skill keep labor employed; the men whose brains and energies keep the wheels of commerce moving—for all these supports of our industrial and commercial fabric this new law contains not a line or a syllable.

But their voice will yet be heard and their power will yet be felt.

Unless the Republican party in its platform at Chicago shall demand the repeal of this bond-syndicate and stock-speculators' currency law, and take strong ground in favor of the passage of a measure that will be for the benefit of all the people, and demanding also that the surplus public funds of the Treasury be no longer made available for the use of stock speculators, then it will be the duty of every patriot, of every honest man, to labor and vote for the defeat of the Republican party, in order that government of "the interests," for "the interests" and by "the interests" shall perish from the face of the earth.

ANY bank that takes out currency under the new law will be doing one of two things: it will either be securing a loan of currency, on collateral, or rediscounting its commercial paper. In either case the bank will be borrowing currency at five per cent.

The strong and well managed banks of the country will not subject themselves to the suspicion of weakness that would attach to them if they should take out currency under this law.

GOVERNOR HUGHES of New York, in the comparatively short time he has been in public life, has exhibited qualities which show him to be endowed with almost ideal equipment as a servant of the people. Not only does he possess unflinching courage and honesty, but he has that somewhat rarer gift of poise—the capability of reserving decision and action until he has before him all the facts bearing upon the particular case under consideration.

Last fall, when the panic developed several weak features in the banking situation in New York, it became evident that some reforms in the generally excellent banking law of the state were necessary. In this situation of affairs Governor HUGHES did not put forward some nostrum of his own, warranted to set everything right. He saw that something was wrong, but instead of having a remedy at hand ready to cure the wrong, he patiently went about the work of finding out just where the trouble lay. And he did not rely upon his own powers of investigation, though the insurance inquiry showed these to be very great. But he was a lawyer, not a banker; and, contrary to a precedent recently established, he believed that on a purely banking question an investigation and report conducted by bankers ought to form a proper basis

of legislation. He therefore selected a committee, composed of some of the ablest bankers in New York, to investigate what changes in the laws were desirable, and to make a report of their conclusions to him. He sought to limit their action in no way, merely requiring that they should make a careful study of conditions and report what was necessary to make the banking law of the State of New York thoroughly efficient. The members of this committee, who were all busy men, served without pay, and we believe even their expenses were not assured them. They reported in due time to the Governor, and their report was made the basis of several wise changes in the banking laws of the state.

But Governor HUGHES' interest in honest banking did not stop here. He selected as Superintendent of the Banking Department Mr. CLARK WILLIAMS, whose antecedents justified the belief that he would bring to the discharge of his duties a high degree of skill and efficiency, and an absolute devotion to the public welfare.

In all that he has done with relation to the banking interests of the state Governor HUGHES has freely sought the counsel of honorable men in the banking business, and particularly of those who have the highest reputation for ability and probity. He has done what any man of common sense would have done in a similar situation—where he lacked the special knowledge himself that would enable him to recommend proper laws to the Legislature, he has respectfully invited the opinions of experts.

When the panic was at its height, and there was a general tendency to restrict credit, the Governor warned the banks that they ought to use their utmost endeavors to extend credit and thus prevent a spread of distrust, and consequent commercial disaster. No better advice could have been given, and in uttering these words at the time he did Governor HUGHES showed that he possessed a clear insight into banking and commercial affairs.

The moral stamina of Mr. HUGHES has been shown in his resolute fight against the evils of race-track gambling, while he has endeavored to wrest the control of his party from the bosses by advocating a bill providing for direct nominations. In one of his messages recently, vetoing a bill that proposed to remove some restrictions against locating saloons near churches and schools, he said: "The saloon must not be allowed to take precedence over the American school."

In his public acts Governor HUGHES has shown a desire to get at all the facts before acting, and the result has been that his course has generally been approved even when it ran counter to public sentiment.

The honesty of this man is such that he would see his party sunk in the bottom of the sea with a millstone about its neck rather than make any compromise with disreputable elements or any alliance with them. He and they have nothing in common. The grafters and "the interests" know they have nothing to hope for from him.

Governor HUGHES' unbending integrity is supplemented by a wise judgment, enabling him always to be guided by reason. Though swift to act when the public welfare demands action, his cool temperament prevents the mistakes common to the rash and impulsive. He is a high type of public servant, knowing no master save his own conscience, obedient always to a sense of duty and the people's interests.

WHO shall say now that republics are ungrateful? The very morning of the announcement of the pass-

age of the new stock-speculators' and bond-syndicates' currency law there appeared in the financial columns of a New York newspaper, under the head of "Cannon or Chaos," an advertisement, signed by an "investment specialist," from which we quote:

"The Sunday before the nominations I shall state what I would say if I were a delegate at Chicago in favor of the absolute necessity of nominating Speaker Cannon. Here I will only repeat: Remember that three Supreme Court Judges are to be selected by the next President. Joseph G. Cannon was the only man of sufficient force and influence to carry through reconsideration of the currency bill. If we make a mistake at Chicago we are facing national chaos and international difficulties of gravest kind."

This is gratitude of a most practical character. The suggestion for the appointment of Judges of the Supreme Court of the United States by the man who is said to have had the force and influence to carry through reconsideration of the currency bill is a peculiarly interesting part of the above quotation.

PRESIDENT ROOSEVELT walked right into the net spread for him by those who demanded currency legislation on the pretext that it was needed to meet possible emergencies. Mr. ROOSEVELT does not even pretend to know anything about the currency. True, he did try to remove the motto "In God We Trust" from the coins, on the ground that there was no legal warrant for its use; but aside from this desultory and unsatisfactory incursion into the realms of finance, the President has not done or said anything to indicate that he has given any thought to the currency question. In some way, though, he became impressed with the high-sounding term, "emergency currency," and at once jumped to the conclusion that this was exactly what the country ought to have. Other men, who had devoted their lives to the study of the subject, declared that such a currency was not needed, and that it was far more likely to do harm than good. But the President set his impulse and stubborn will against the wisdom and experience of the business and banking world. And for the time being he has had his way.

It is most unfortunate that "the interests" have become the beneficiaries of the President's impulsiveness, his desire for action, and his imperfect understanding of the currency question. How fortunate it would have been if he had stubbornly declared that no legislation could have his approval unless it paid careful regard to the welfare of the farmer, the laborer, the manufacturer and the merchant. But instead of adopting the philosophy of the maxim, "When you don't know what to do, don't do anything," he impatiently insisted that *something* must be done. And "the interests" kindly accommodated him with a measure for the benefit of bond syndicates and speculators, completely ignoring everybody else.

THEODORE ROOSEVELT has accomplished reforms during his administration that will be of lasting benefit to the American people. He has dared to attack wrong in high places, and has wrought a regeneration in our standards of civic life. But in giving his approval to the so-called emergency currency bill he has in our judgment—though we believe unwittingly—played into the hands of the most unscrupulous and dangerous elements in our business and political life. He has done this because he defied sound public opinion, and relied upon his own blind impulses. It is not yet too late for him to undo the mischief that has been wrought.

His voice will be all-powerful in framing the Republican platform at Chicago, and if he is disposed to heed the counsels of wisdom born of experience, the Republican party may yet be relieved of some of the odium that now attaches to it for its disregard of the people's welfare.

HON. THEODORE E. BURTON of Ohio has been selected to make the speech at Chicago placing Secretary TAFT in nomination for the Presidency. Mr. BURTON is considered an authority on panics and depressions. He may be able to write a new book on these themes after the November election if the Republican party does not cut loose from its present alliance with stock speculators and bond syndicates.

AN amendment to the Banking Law of New York, passed at the last session of the Legislature, provides that banks in New York city opening branches must add $100,000 of capital for each new branch. Branches heretofore opened and hereafter maintained must have $50,000 additional capital each.

Considering that the banks in this country operating branches do not have very large capital, and that the privilege of opening branches might be taken advantage of by some banks to an extent that would endanger the safety of deposits, this amendment of the law is no doubt a wise one.

Nevertheless, in making the additional capital necessary to the establishment of a branch the same as that for opening a parent bank, the law destroys one of the advantages of the branch bank system. If a bank must add an amount of capital equal to the minimum required for the parent bank, every time a branch is opened, the incentive to establish new branches will be much less than if an additional office could be opened without increasing the capital at all. Of course, a branch of a strong bank will still have the advantage of the good reputation of the parent institution, and may also be run without a complete staff of officials, such as would be necessary for an entirely independent institution.

If our banks had large capital funds, like those of Canada, it would not be necessary to require fresh capital to be subscribed whenever a new branch was established; but under present conditions the precaution is perhaps desirable in the interests of safety. Possibly the spread of the branches in New York city was not relished by some of the competing banks, and they will be especially pleased to see a limitation of the power to multiply the number of branch banks.

ANOTHER suggestion for a central bank is made by CHARLES A. WRIGHT, president of the Superior National Bank of Hancock, Mich. Briefly stated, Mr. WRIGHT's plan is that the existing national banks should form a central bank, to be located in New York city. The capital of this bank would have to be subscribed by officers and directors of the national banks, until legislation can be enacted authorizing the banks themselves to own the stock.

If the ownership of a central bank of this character could be kept in the hands of a majority of the banks of the country, such an institution would probably be open to as little objection as any form of central bank that could be devised. But would the central bank

be so owned? Would its ownership and management not fall into the hands of a few of the great city institutions? Should this be the case, would not the central bank be run in their interest without much concern for the welfare of the other banks?

Perhaps we are needlessly alarmed, but these questions naturally arise when it is proposed to form a hundred-million dollar bank which would possess enormous power.

While The Bankers Magazine does not favor the establishment of a central bank, it believes in a full and fair discussion of the merits of such a proposition, and Mr. Wright has shown such a thorough comprehension of the weaknesses of our present system that we gladly publish his recommendations in another part of this issue.

RUSSIA'S experience in adopting the gold standard forms the subject of an article by Mr. Charles A. Conant, contributed to this number of The Bankers Magazine. The thorough reformation of the currency system of Russia by Finance Minister Witte illustrates with what comparative ease such reforms may be accomplished under a bureaucratic system of government where the financial policies are shaped by experts. In a republic, or where any system of popular government prevails, these reforms must await the slow and often disturbing process of agitation and legislative action. Politicians take counsel of their fears and are reluctant to press forward any reforms that may possibly be a shade in advance of what they consider as representing popular sentiment. Mr. Witte found himself unembarrassed in these particulars. He made up his mind as to what ought to be done, an imperial ukase was issued, and there was an end of the matter. One can but admire the nice calculation displayed in all the measures taken for putting the reform into effect and the brilliancy with which the whole plan was carried into execution. The success of Mr. Witte in this important work established his fame as one of the foremost statesmen of his time. His subsequent achievements in negotiating the Treaty of Portsmouth, which brought the war between Japan and Russia to a close on terms more advantageous to the latter country than anybody thought possible when the negotiations began, won him further honor and a title.

Despite the ease with which financial reforms may be effected under a despotic form of government, the United States will probably not be changed into a despotism merely for the sake of effecting what some consider desirable changes in our financial system. It is better patiently to await the slow course of events. And even if our Secretary of the Treasury had unlimited power, could we be sure that he would make the same wise use of it that Russia's brilliant Finance Minister did?

A NOVEL and interesting banking device — the adjustable coupon certificate of deposit—is described elsewhere in this issue of the Magazine. It reduces the computation of interest to a mere automatic process and provides a number of checks against error and loss, besides greatly simplifying the bookkeeping work now incident to the carrying of interest-bearing accounts. While called a "certificate of deposit," it may be used in place of the present savings pass-books, over which it possesses numerous advantages. It would also afford a convenient and economical form of postal savings certifi-

cate, should the Government decide to establish a system of postal savings banks. The interest on the certificates is automatically calculated at the time the certificate is issued, interest coupons being attached which may be cashed at a bank, used as collateral for loans, or transferred by delivery.

The new device is fully described in the article referred to. We should be pleased to have the opinion of practical bank men as to its merits, pointing out whatever features they may consider objectionable, if any can be found.

HON. WM. H. TAFT, the Republican heir-apparent, is reported to have strongly insisted on the passage of the new currency law. If this report is true, and if Mr. TAFT is nominated at Chicago, he will have a full opportunity of explaining why he supported a law that will benefit only bond syndicates and stock speculators.

A CENTRAL bank bill was introduced in the House (by request) on May 4, by Representative BURTON of Ohio. It provides for the organization of a central bank with a capital stock of $100,000,000, to be owned by the United States, and not to be sold for a period of not less than ten years, and then only by a resolution of Congress. This would permit the control of the bank to pass from the Government to private hands. The proposed bank would have the right to issue notes secured by gold or other legal tender equal to not less than one-third of the notes issued. These notes are to be guaranteed by the United States, and are to be redeemed in lawful money. The notes may be counted as a part of the lawful money reserves of national banks. The bank would have the exclusive power to receive Government deposits, and without depositing security therefor.

To feed this central institution, the national banks are to be organized into district associations, and the individual members, on depositing satisfactory collateral, will receive a "certificate of guaranty" which may be used to procure deposits or loans from the central bank.

While apparently this is to be a Government institution, it will be seen that after ten years control would probably pass into private hands. The management, however, in accordance with the terms of the bill, would remain largely in the hands of the district associations, and the Government, even after the sale of the stock, would continue to have a strong voice in the bank's affairs.

It will be seen that the notes provided for are purely of a credit character. The reserve against which they are to be issued is large enough—33 1-3 per cent.—and its character unobjectionable enough, except that the legal-tender notes ought to be eliminated. A bank's reserves, whether applied to notes or deposits, ought to be in the standard coin, and in nothing else.

The notes are payable on demand in lawful money, which means silver dollars and greenbacks as well as gold. They should be payable in gold only.

It is provided that the notes of the central bank may be counted as part of the lawful money reserve of the national banks. This provision is unsound and dangerous. It would base one credit upon another, thus giving rise to inflation.

The central bank is to have a monopoly of receiving deposits of public funds, and no security against such deposits shall be exacted. But the other banks will be permitted to have some

of these deposits, provided they give security in the form of the "certificate of guaranty" already mentioned. Or they may procure a loan from the central bank on the same terms.

The district associations provided for are apparently modelled after the bank-note redemption agencies which were a conspicuous feature of the measure introduced in the House by Mr. FOWLER early in the recent session. While we do not approve the central bank plan, for reasons fully set forth in these pages from time to time, we believe that the introduction of a bill of this character will serve a useful purpose in bringing out discussion. Aside from the central bank proposition, many of the details of the bill are excellent, and it gives evidence of much careful thought in its preparation.

MOST of the bankers of the country seem to think there was no "emergency" anywhere in sight that called for the passage of a currency law. The bankers are an unsophisticated lot. Do they not know that an election is only a few months off and that "the interests" will have the fat fried out of them in the approved fashion? And how can they yield a bountiful supply of fat unless they are well fed?

THE recent conference of Governors convoked at Washington by the President to take steps looking to the conservation of our national resources indicates a wise forethought for the future that is always to be commended. We have undoubtedly gone on rapidly exhausting our soil, forests and minerals without much concern for our own future and with still less for that of those who are to follow us. Much of the destruction of the forests has been pure waste, and it is none too soon to begin husbanding what is left.

But we think MR. HILL and the President both took rather too gloomy a view of the outlook. For example, the latter declared that practically all our tillable land is already occupied. From this it might be concluded that the area of land capable of profitable cultivation is now being tilled. One need not travel over the vast Western States, where large farms are the rule, to realize how little basis there is for such a conclusion. Within a few hours' travel of any of the great Eastern cities one may find plenty of fertile acres put to no use whatever. Until the American farmer is compelled to till every available inch of ground, and to make a living from five or ten acres, as the farmers of Japan and many parts of Europe do, we need not worry much about the exhaustion of our areas of tillable lands. We have probably suffered from having too much land to till rather than too little, and if there are no longer vast tracts that may be made to yield bounteous harvests by merely tickling them with the plow, there is still plenty of land that with careful cultivation will produce fully as bountifully as the virgin prairies have done.

Then we must not lose sight of the substitution that is going on all the while. Probably the time is not far off when lumber will be unnecessary for the building of a house. Wood as a fuel has already been supplanted by coal, as the latter will probably be by oil or some other substance. Our lumber supply may be dwindling, but the clay for making bricks appears to be inexhaustible, and the supply of concrete hardly seems in any danger of running short. In the sea there are said to be still plenty of fish as good as any that ever have been caught.

With a hot summer in sight, and a political campaign coming on, the orators and officials who are in charge of the work of conserving our national resources should not vex us too sorely with their dire prophecies.

Fortunately, there is no sign of a diminution in the powers of expression of either the President or Mr. BRYAN.

MANY suggestions for reforming the currency have been made of late, indicating the widespread interest that is being taken in the subject. Some of these suggestions are crude, while others show that their authors have carefully studied the problems involved. In others there is a somewhat curious intermingling of truth and error, showing how easily people are mystified by the complexities of the currency question.

In a pamphlet on "Money Panics, the Cause and Cure," by WM. W. WHEELER, an illustration is afforded of the latter kind of financial literature. Here, for instance, is a statement which comes very near to putting the whole bank-currency question into a single sentence:

"A currency system which will allow the owner of real wealth to convert a portion of that wealth into a currency which will pass current among the people to facilitate the exchange of commodities, and after it has done its work as currency, will allow that currency to be reconverted back into wealth again, would be a blessing to civilization and to humanity as a whole."

But how lamely does Mr. WHEELER apply his generalization, as may be seen from these proposals:

"Every banking house against which checks can be drawn should be allied to the United States.

"Every banking house allied to the United States should have a special officer who is a United States Deputy Treasury official.

"The United States Deputy official in the bank should have the right to sit at all Board meetings which accept securities for deposit against which checks can be drawn.

"When a United States Deputy Treasurer should deem the security 'sufficient,' he should have the power to endorse or certify for the United States the check of the individual, to the extent of fifty per cent. of the security value, when such endorsement was desired by the individual.

"When the United States Deputy has affixed the certified endorsement of the United States, he should hold jointly with the bank the securities upon which the endorsement was based. The banking house should be allowed to charge its regular rate of discount on the checks certified by the Government Deputy, and in addition to this regular discount charged by the bank, there should be an extra tax at the rate of, say, three per cent. or four per cent. per year, attached to such a certified check for which the security jointly held by the bank and the deputy should be holden. The United States should hold the first lien on all securities held jointly by the bank and the United States Government.

"The funds derived from this extra three per cent. or four per cent. tax should accrue to the Treasury of the United States.

"When an individual check has been endorsed and certified to by a Deputy Assistant of the United States Treasury at any banking house, it should have all the powers now given to a note issued from any national bank in the form of a national bank note."

Whether certified checks of depositors are used as bank notes, or whether the bank itself issues its own notes, does

not make much practical difference. In either case the bank would be liable for the obligations, and in either case it would hold security against the notes.

But the expense incident to installing some 7,000 Government officials in the banks for the purpose of passing upon the securities, and the imposition of a tax of three per cent. or four per cent. per annum upon the "checks," is wholly unnecessary. Without any such costly expedients the bank-note currency could be made absolutely safe. Indeed, the means of providing for the safety of the notes are so simple that many people can not understand them. They refuse to consider as authentic anything relating to the currency unless it is so profound as to be practically incomprehensible.

Mr. Wheeler would tax state banks, private banks and trust companies so high that they would be glad to take refuge under the sheltering wing of the National Banking Act. He thinks the state bank examiners are frequently chosen on account of political "pulls." But is competency the sole test in the appointment of national bank examiners? He says also that "the trust companies offer interest on deposits, while national banks do not." His acquaintance with the latter class of institutions must have been confined to the truly good.

FROM Robert L. McCabe of Dayton, Ohio, comes a pamphlet entitled, "A Central Bank of Issue for the United States." Few recent writers on banking and currency have more clearly perceived the defects of our present system or shown a better comprehension of the true principles of a bank-note currency. After pointing out the imperfections of our banking and sub-Treasury system, and showing the advantages of a central bank, Mr. McCabe says:

"Gold and short time commercial paper, which is quickly convertible into gold, is the best basis for a safe and perfectly flexible currency.

"The best currency is the one which is redeemed daily in that one species of property which is received throughout the world by everybody as money, namely, gold. A gold fund which is daily drawn upon for the redemption of notes can best be maintained by funds resulting from the payment of constantly maturing commercial paper and by regulating the discount rate. A currency based on short-time commercial paper can be converted more readily into gold than one which is based on long-time bonds or the taxing power of the Government. There must be a daily inflow of gold to maintain daily redemption, but this daily inflow cannot with regularity be supplied by the payment or sale of bonds nor by the exercise of the taxing power of the Government.

"In every respect, commercial paper, consisting of bills and promissory notes, is safer security for the currency than bonds. It is either worth its face or nothing, and this is quickly determined by the banker. Whereas bonds, good when first issued, may from various causes depreciate and become almost valueless before their maturity and final payment.

"Our present currency is a conglomerate dead-sea mass of notes which does not respond to the ebb and flow of the golden tides of commerce. When there is small demand for it in the spring and summer, it is forced into use at low rates of interest by the bankers who are intent on making profits. At those times bankers are seeking borrowers and unwarrantable speculation is thus encouraged. When, however, the heavy

crop demands occur in the fall, there is a scarcity of currency, as it has been tied up in speculative loans. The present system regularly provides feasts for speculation, to be regularly followed by famines for legitimate business.

"The people of the United States have a larger stock of gold, more quick assets, and higher credit than any people in the world. But unlike other commercial people, we are not authorized to transmute these assets into currency for the promotion and preservation of commerce. Inasmuch as commerce has infinitely larger funds of gold and negotiable wealth than the Government, and as it alone has accurate knowledge of its own necessities, it should not be confined to the use of restricted and inflexible Government issues, but should be authorized to utilize its own resources and knowledge to supply itself with necessary currency facilities. However, if it were not now impossible, it would indeed be the height of folly to suddenly substitute a bank credit currency for our present Government currency. But if the transition were gradual, the substitution could eventually be accomplished without injury, hardship, or disturbance."

Mr. McCabe would permit the central bank to issue its notes against gold coin and bullion, and in time of threatened panic or stringency, to issue an emergency currency based upon rediscounted commercial paper, the emergency notes to be taxed with a view to causing their early retirement.

Regarding the comparative qualifications of a central bank and the Treasury to issue currency, he says:

"A central bank having immediate and intimate knowledge of the necessities of commerce everywhere, and having recourse to vast funds of convertible capital, could issue a credit currency promptly, proportionately and effectually to meet emergencies as they arise, and thus avert sudden and complete financial collapse. The Treasury Department, however, having no immediate or certain knowledge of the necessities of commerce, but compelled to wait for beseeching bankers to deposit bonds of the right description in Washington, could not, from the nature of the operation, issue a bond-secured currency until after the emergency had arisen and deteriorated into a panic. A credit currency will prevent the occurrence of a stringency, whereas the best a bond-secured currency can do is to mitigate the severity of a panic after it has started and is under headway. As an ounce of prevention is worth a pound of cure, so is the credit currency of a central bank to the bond-secured currency of the Government."

Undeniably a central bank would have a better knowledge of the necessities of commerce than the Treasury could have, but would the central bank have an intimate knowledge of the necessities of commerce everywhere, as Mr. McCabe says? This could hardly be gained unless the central bank had branches in at least all the important commercial centres. We believe that the existing national banks, already established, not only in every large city, but in many small towns, have a better knowledge of the necessities of commerce everywhere than any central bank could possibly have, and for that reason the existing banks would be the very best agencies that could be devised for the issue of a bank-note currency adapted to the needs of commerce.

Mr. McCabe, in referring to the lack of unity among the banks, says:

"There can be no unity of action among thousands of independent banks, it is impossible to concentrate and supply currency where it is needed to meet the varying demands of commerce at

different times and localities throughout the country.

'The national banks have performed invaluable services to the nation, but their usefulness should be still further increased. Their present disjointed and invertebrate system should be transformed into an articulate body and furnished with an intelligent head which would think and act effectively for the welfare of banks and public alike. The Treasury Department could then be relieved of functions which inherently belong to banks."

In concluding, he states that "the trend of events and the logic of the present situation point directly to the establishment of a central bank or some analogous agency."

Possibly in this "analogous agency" may be found a more acceptable solution of our financial problems than would be afforded by a central bank. Mr. Fowler's proposed bank-note redemption districts seemed much preferable to such an institution. Or the existing clearing-houses might be brought into some kind of co-operation.

While we do not agree with Mr. McCabe's proposals for a central bank or for emergency currency, we repeat that he has made a most interesting and valuable contribution to the discussion of our banking and currency problems. His statements of principles are clear, forcible and accurate, and show that he has made a careful study of the whole subject.

FRESH illustration of the defects in the system of examination of national banks is afforded by the defalcation in the Allegheny National Bank of Pittsburgh. If there had been a proper system of examination in force, it hardly seems possible that the misdoings of the cashier could have remained so long undiscovered.

Not only ought there to be a change in the manner of compensating national bank examiners, as recommended by the Comptroller of the Currency for many years, but the method of selecting and appointing the examiners must be radically changed.

The banking business of the country has grown to such an extent, and the number of banks so largely increased, that it is doubtful if supervision from Washington alone can longer be relied on, and some system of local supervision will have to be devised.

Whatever improvements are made will have to be pushed forward by the bankers themselves, as Congress will do nothing along this line unless forced to do so by public opinion.

When a flagrant case of bank-wrecking like that of the Allegheny National is reported, the entire banking business suffers more or less reproach. Whether this is just or not, it will probably continue until the bankers of the country show a more determined spirit in stamping out unsound and reckless banking. A little more energy in demanding more efficient supervision would have a wholesome influence in that direction.

CALIFORNIA, which is one of the few States of the Union where the gold standard is an actuality, has taken a long step toward placing its banking system upon a thoroughly sound and efficient basis.

At the recent annual convention of the California Bankers' Association the following resolutions were unanimously adopted:

"First: That a State Clearing-House Association be formed to include if possible all the banks of the state.

Second: That the State Clearing-House Association be divided into dis-

tricts, each district to be managed by a local committee under the control of a general Association.

Third: That each district select and employ its own independent examiner and that examinations and reports be made in accordance with rules and regulations established by the general association.

Fourth: That laws be enacted, creating a State Superintendent of Banks in place of the present Board of Bank Commissioners, and that the Superintendent of Banks, in causing examinations of state banks to be made, employ so far as possible the examiners that have been selected by the districts of the Clearing-House Association.

Fifth: That all banks be required to publish in local papers statements of their condition on the dates designated by the Comptroller of the Currency.

Sixth: That a committee of three be appointed by the California Bankers' Association to take charge of the details of organizing a State Clearing-House Association and that the necessary expenses of such committee be paid out of the treasury of the California Bankers' Association."

The Bankers Magazine has repeatedly said that the present examination of banks by state and national examiners, which is generally admitted to be more or less inefficient, should be supplemented by some system of examination provided by the banks themselves. This plan has already been put into effect by the clearing-houses of Chicago, Minneapolis, San Francisco, Los Angeles, and perhaps a few other cities.

The situation is simply this: Neither Congress nor the state legislatures can be relied on to pass laws providing for adequate supervision. Bank failures like the one which recently occurred at Pittsburg are, to some extent, a reproach to the banks of the country. They ought to insist—in fact, if their business is not to suffer in the public estimation, they must insist—that a stop be put to this kind of banking, so far as this may be done by efficient examination.

It is quite likely that the movement inaugurated in California will result in bringing about conditions that will make it very uncomfortable for the rascally-inclined banker to carry on his business in that state.

In providing for supervision of this kind, practical difficulties may be encountered and some jealousy aroused, but no doubt with experience the new plan will be made to work smoothly and effectively.

We do not believe that even the best supervision attainable can be relied on absolutely to prevent unsafe banking, but it will reduce frauds, embezzlements and mismanagement to the lowest possible minimum.

The bankers of California are to be congratulated on the stand they have taken for sound banking methods. They have set an example worthy of wide imitation.

"Your Honor," said the receiver, "I desire enlightenment from the Court."

"State your position."

"Having wound up the affairs of the concern after a week of arduous labor, I find there is but $100,000 left. To what source am I to look for the balance of my fee?"—*Philadelphia Ledger.*

+

"He is said to be a financier." "He is. He has been known to get a porter-house steak from a butcher, incorporate it, pay the butcher in common stock, sell the preferred, hypothecate the bonds and eat the steak. Oh, he's a financier, without doubt." —*Louisville Courier-Journal.*

+

It isn't when a fellow is broke that he bursts into song.—*Philadelphia Record.*

+

It pays to plant pocketbooks.—*Baltimore Sun.*

HOW RUSSIA ACHIEVED MONETARY REFORM.

Count Witte's Far-Reaching Measures for Establishing the Gold Standard—How They Stood the Test of War.

By Charles A. Conant.

THE monetary reform in Russia which was achieved in full by the autumn of 1897 presents one of the most interesting and important of modern financial operations. Previous failures and several difficult factors in the problem imposed upon Count Witte, with whose name the reform will be permanently linked, a policy of caution and complete preparation. Three of the important factors involved were at what rate the value of the paper rouble should be fixed, whether the metallic standard should be changed from silver to gold, and where the resources should be obtained to give stability and permanence to the new system.

Upon the question of the rate of conversion of the paper, there were those who contended that, in Russia, as in the United States after the Civil War, the old metallic unit should be restored in its integrity. Against this contention, however, were arrayed the views of those who believed in consecrating by law the *status quo,* in order to prevent violent changes in prices of commodities and adverse effects upon the export trade of the country. While there had been periods, as recently as up to the war with Turkey in 1877, when the credit rouble had been at a quotation as high as 3.40 francs (par being 4.00 francs), the quotation had fallen during and after the war considerably below 2.66 and for a time in 1888 even below 2.00 francs.[1] These years had represented, however, a period of wide fluctuations. The salient fact upon which the advocates of resumption at the gold value of the rouble rested their case was that since 1891 "the rouble had acquired a stability more and more marked and a fixity of value which was a benefit both to the country itself and to those who were called upon to do business with it."[2] In the language of a semi-official publication:[3]

"In fine, the credit rouble is equal to a fixed quantity of fine gold, almost identical with the amount which one has been able, on the average of the last twenty years and during the last three years, to procure with this same rouble. The fixed exchange at which the Bank of Russia buys and sells gold over its counter causes no disturbance to contracts, old or recent, formal or tacit; it does not modify established customs, the price of rents, the nominal or the real amount of wages. Mortgage creditors and debtors, holders of the public funds issued in credit roubles, functionaries and employees, and all others, give and receive paper roubles at par, and these roubles are worth to-day that which, on the average, they were worth from 1876 to 1895, from 1879 to 1881, from 1893 to 1896."

Already, as early as 1887, Vichnegradsky, the great Finance Minister who paved the way for the later successes of Count Witte, had declared that the eventual rate of conversion for the paper rouble would be two-thirds of its nominal value and had planned to strengthen exchange funds and end the regime of irredeemable paper.[4] By the autumn of 1892 Count Witte was preparing to bring to an end speculation in the paper rouble in the Berlin market. He gave notice in January,

---

1 Leroy-Beaulieu, "La Science des Finances," II., 750.

2 Raffalovich, "Les Methodes pour Revenir a la Bonne Monnaie," 20.

3 "Bulletin Russe de Statistique," March-April, 1896, III., 177.

4 Lorini, 118.

1893, to banking institutions doing business in Russia that aid lent by them to speculative operations in the rouble would be considered as incompatible with their privileges. In the autumn of, the next year, when the comparative stability of the paper had been disturbed temporarily by unfavorable reports regarding the health of the Rusian Emperor, Count Witte went resolutely into the market, purchased the "short" contracts offered by speculators for the decline, and forced them to settle on his own terms.[5] With a great fund of gold at his command, it became possible also to adopt the means of regulating paper and silver currencies which has proved so effective in solvent countries in recent years—the sale of foreign exchange. As early as the autumn of 1892 the Department of Finance offered to buy exchange at 2.18 francs and to sell at 2.20, shutting fluctuations, while this policy could be maintained, within the narrow limits of normal gold points.[6]

Paving the Way for the Gold Standard.

The argument for fixing the new gold unit at the current gold value of the paper rouble was strengthened by the fact that the metallic standard of the Empire had been not gold but silver. Neither metal was in circulation when Count Witte projected his reforms, but with his usual foresight he realized that gold was the proper standard for a modern commercial state surrounded by gold-standard countries. The adoption of gold, however, was a radical departure from old Russian legislation, so that it could not be properly contended that the Government was under a legal obligation to raise the paper rouble to a parity with gold at its old ratio to silver. The Law of 1842 had decreed that "the principal monetary unit, legal and invariable, of all the moneys having circulation in the country shall continue to be the silver rouble."[7] It was in September, 1876, that de Reutern, the Minister of Finance of the day, suspended the free coinage of silver, and on the tenth of November following that he required customs dues to be paid in gold; but the definite adoption of the gold standard awaited the completion of the monetary reform in 1897.

That the gold standard could be established and maintained, in a country with so limited an economic power as Russia, only by accumulating large gold resources, is indicated by the facts already set forth regarding the gold funds of the bank and the Treasury. Careful consideration was also given to the foreign trade movement, the production of gold in Russia, and the balance of payments on account of financial operations. Substantially, the gold standard was established by means of borrowed capital, but so skillfully was the public credit built up that by the conversion of old loans at lower rates the use of a thousand millions of dollars was obtained from French and other foreign lenders practically without increase in interest charges.[8]

Gold Standard Put Into Operation.

The foundations having thus been laid deep and broad, the gold standard was put into actual operation with marvellous rapidity. In 1895 a *ukase* of May 8 declared that written contracts might be made payable in Russian gold roubles and that such contracts might be settled in gold or in credit roubles of equivalent gold value at the rate of exchange prevailing at the date of pay-

5 Vide the author's "Principles of Money and Banking," II., 363-64.

6 Lorini, 82.

7 Lorini, 37. This writer calculates that at the price of silver in 1897, redemption of a credit rouble in full in silver would have given to the holder 1.97 francs in gold value instead of the sum of 2.67 francs actually given by the monetary reform.—"La Reforme Monetaire de la Russie," 111.

8 The debt increased from 11,619,434,008 francs on Jan. 1, 1887, to 16,567,830,000 francs on Jan. 1, 1900.—"Fonds d'Etat Russes et Autres Valeurs Mobilieres Cree en Russie," 31, 64.

ment. Public depositaries were authorized to receive gold at its exchange value in the payment of excises under regulations framed by the Minister of Finance. Other steps which followed during the summer authorized the bank to receive deposits of gold coin and bullion, foreign bank notes and commercial bills payable in gold and to issue certificates therefor payable in gold on demand. These certificates were receivable as the equivalent of gold at the Treasury and the bank, but were not a legal substitute for gold between individuals except with the consent of the creditor. They were receivable at branches of the bank for gold obligations due at other branches and exchange was furnished free except for the cost of telegraphic service.[9] These important acts were followed on July 26, 1895, by the promulgation of rules permitting the creation of special gold accounts at the bank, for the reception of gold and gold certificates, and the issue of check-books representing payments exclusively in gold. The public were thus being gradually prepared, by the flow of a stream of gold through the Treasury and the banks, for the establishment of gold payments and the maintenance of a fixed relation between the credit rouble and the metallic standard.

This relation was definitely established in 1896 at three roubles of the new standard for two of the old, or at the ratio of two-thirds of the old gold rouble of four francs ($0.772) for one rouble of the new standard, which thus had a value of 2.67 francs ($0.515). A complete project for a new coinage system upon this basis was submitted by Count Witte to the Imperial Council, March 21, 1896, and was the basis of the *ukase* of August 8, which provided that the paper rouble should be received by the railways, public offices, and the bank at the new rate until January 1, 1898.[10] These measures, positive though they were, were looked upon in certain quarters as only a provisional fixing of the rate of exchange, and there was still discussion as to whether the rate should be given permanence by the issue of new coins and by the offer to redeem paper roubles in the new coins at the bank.

Count Witte insisted that conditions were ripe for the completion of the reform. In his annual estimates for 1897 he reminded the Emperor that in view of what had already been done, "legislative sanction will add nothing to the dangers, now much exaggerated, which are attributed to the resumption of payments in specie, already accomplished in fact." On the contrary, he declared, so far as demands for redemption depended on confidence in the permanence of the reform, the adoption by law of the fundamental principles of a sound circulation would tend only to diminish the risks of the reform, if any existed, and to strengthen to a higher degree the credit of Russia.[11] These resolute views bore fruit in the *ukase* of January 3, 1897, which provided for the issue of the old gold coins of the Empire at their former weight and fineness, but with designations making the old imperial equal to fifteen roubles of the new standard instead of ten. A coin of five roubles of the new standard was provided for by a *ukase* of November 14, 1897, but it was not until December 11, 1898, that the gold piece of ten roubles was authorized, which soon superseded the older pieces and became the standard gold coin of the country.[12]

On the part of the bank, provision was made to recognize by law its obligation to redeem its notes in gold. The statutes were modified by ukase of August 29, 1907, so that the English

9 "Bulletin Russe de Statistique," July-August, 1895, II., 27.

10 Lorini, 100.

11 Bulletin Russe de Statistique," 1896, III., 737.

12 "Bulletin Russe de Statistique," 1901, VIII., 164. The text of some of these acts is given in English by Willis, Sound Currency, July, 1899, VI., 106-108; in French by Lorini, "La Reforme Monetaire de la Russie," 175-183.

system of separating the issue department from commercial operations was abandoned and the accounts fused into a general balance-sheet. The authorized "uncovered" issue was reduced to 600,000,000 roubles ($309,000,000) and of this amount one-half must be covered by gold; issues in excess could be made only for gold. It was declared, moreover, that issues should be kept within limits rigorously determined by the actual needs of the money market.[13] Already the bank held more gold than the volume of notes outstanding,[14] and it involved no risk to follow the suggestion of Count Witte and announce readiness to pay gold on demand. This was done by the ukase of November 14, 1897, which provided for inscriptions on the notes to the effect that the bank would redeem them in gold coin without limitation as to amount, that redemption was guaranteed by all the resources of the State, and that the notes should be received at par throughout the Empire.

SUCCESS OF COUNT WITTE'S PLANS.

These measures were not taken without misgivings, both at home and abroad, as to the possession of sufficient economic power by Russia to retain her laboriously accumulated gold funds in the face of adverse conditions of trade or foreign war.[15] But these factors had been anticipated and measured by Count Witte. In his report on the budget of 1898, he discussed the conditions necessary to the success of the reform and did not fail to include among them the maintenance of equilibrium in the budget and good faith by Russia toward her foreign creditors. Evidence of the latter had been given in the most explicit terms by an order of the Emperor, issued in connection with the law of January 3, 1897, which declared that, in the payment of engagements previously contracted in gold roubles, the coins should continue to rank only at their old face value, instead of at the new value one-half higher.[16] Proof of the determination to separate the affairs of the bank finally and absolutely from those of the public Treasury was afforded, on the morrow of the crisis of 1899, by a ukase which directed that the last 50,000,000 roubles of the State debt to the bank on account of the paper issues be cancelled from the free cash balance of the Treasury and that the issue of bills of credit should never again serve as an auxiliary resource in the public finances.[17]

To both the tests of financial troubles at home and serious war in the East, the Russian monetary system was subjected within seven years after it was fairly put in operation in 1897, and both tests it met without disaster. The scarcity of capital which afflicted Europe in 1899 reacted seriously upon Russia because so many of her enterprises were fed with capital from abroad. As usual under such conditions, the clamor arose for "more money" and for a freer use of the facilities of the Bank of Russia. It became necessary for Count Witte to submit a memorial to the Emperor, showing that the quantity of currency in the country was greater than ever be-

13 "Bulletin Russe de Statistique," 1897, IV., 467.

14 Beaufort sets forth in detail how special deposits of gold by the Treasury were carried to the general assets of the bank, gold holdings in old roubles were advanced in nominal value fifty per cent. in new roubles, and other readjustments brought up the total gold resources of the bank on September 1, 1897, to 1,131,700,000 roubles against outstanding notes to the amount of 1,068,778,000 roubles.—"L'Achevement et l'Application de la Reforme Monetaire de la Russie." 32-35.

15 Thus Willis, comparing Russia with the United States, says that: "In neither is there more than a formal recognition of a reserve behind the notes, in neither is the non-fiscal character of the currency recognized, and in neither consequently is there any quality of permanence in good conditions when established."—Sound Currency, July, 1899, VI., 102.

16 By a semi-official interpretation this rule was extended to engagements contracted in "metallic roubles."—"Bulletin Russe de Statistique," Nov-Dec. 1896, III., 740.

17 Raffalovich, "Le Marche Financier en 1899-1900," 810.

fore and that if the bank had thought it advisable to raise its discount rate it was only taking the same precaution as other state banks and had not been exempt from this necessity even under the regime of paper money.[18] The condition of the bank and the stability of the gold standard remained absolutely unshaken. Discounts and advances were increased by nearly fifty per cent. in October, 1899, at the height of the crisis, as compared with the previous year. The circulation and gold reserves declined somewhat, but this was the result of the policy of the Government in forcing gold coin into actual use. From October 1, 1897, to October 1, 1899, gold in circulation had risen from 107,000,000 to 662,300,000 roubles, while bank notes had fallen from 986,600,000 to 555,000,000 roubles. While within the year 1899 the gold resources of the bank fell by about 115,000,000 roubles, its outstanding note obligations fell by 171,000,000 roubles and its gold resources remained at the close of the year at 730,000,000 roubles ($375,950,000).

Stability of the Monetary System Tested by the War With Japan.

A more serious test of the stability of the monetary system came with the Russo-Japanese War in 1904. Disaster after disaster came to Russian arms on land and sea, but they never threatened for an instant the solidity of the structure built up by Count Witte in time of peace. It was the policy of the Russian Government from the outset to suffer no infraction of the gold resources of the bank and to support the expenses of the war by the issue of interest-bearing securities rather than by resort to paper money.[19] The close of the year 1903 found the bank in much the same position in respect to reserves and circulation as at the close of 1899. The total gold resources of the Treasury and the bank were 1,058,500,000 roubles, of which 732,900,000 roubles ($376,500,000) were in the vaults of the bank and 169,100,000 roubles ($87,000,000) in foreign bills, making the gold funds of the bank 902,000,000 roubles. As the outstanding circulation was then only 578,700,000 roubles, the notes were covered in the ratio of 156 per cent. by gold, and further paper issues would have been well within the limit of safety.[20] Under the laws governing the circulation, there was a margin of nearly 325,000,000 roubles in notes which might legally be issued. The Treasury, moreover, instead of being debtor to the bank, as in most European states, was a creditor to the amount of a free balance of 635,000,000 roubles.

If there was any doubt of the purpose of the Russian Government to adhere resolutely to a sound financial policy, it was set at rest by an official communication, appearing in the "Official Messenger" of May 13, 1904, which declared that "However seductive it might appear at first glance to make head against all the expenses of the war with the sole resources afforded by the normal elasticity of the circulation, the Ministry of Finance did not think proper to employ this method." It was added that "Prudence still prescribes to us to neglect nothing that the end of the war may find our finances in as solid a condition as at the moment when we were snatched from the works of peace." A conference of the Committee of Finance definitely considered the proposal to suspend specie payments, as the Bank of France had done in 1870, in order to husband its gold, but decided that such a step would be unnecessary and harmful.[21]

Commercial credit showed some signs of disturbance at the prospect of war, and the fact that the monetary system had not yet been tested led to purchases of foreign bills in order to transfer

18 Raffalovich, "Le Marche Financier en 1899-1900," 442-448.

19 Cf. Cahen, in "Questions Monetaires Contemporaines," 557.

20 Helfferich, "Les Finances des Belligerants," 81.

21 Le Marche Financier en 1904-05, 926.

capital abroad. Exchange on London rose in January, 1904, to 95 roubles (for £10), but offerings of bills soon exceeded the demand and the rate fell in December to 94.45 roubles.[22] The bank co-operated with the Treasury to prevent exports of gold from Russia. The Government decided to place loans abroad rather than at home, in order to pay for war supplies obtained in foreign countries. The balance of trade thus created against Russia was met by drafts upon the funds arising from the war loans in London, Paris and Berlin and by the free sale by the bank of drafts against its foreign balances. From January 1, to May 16, 1904, the gold balances of the bank abroad fell from 169,100,000 roubles to 39,900,000 roubles ($20,540,000).[23]

The Bank of Russia raised its discount rate early in 1904 from four and a half to five and a half per cent., but announced that, without encouraging speculation, it would extend generous accommodation to solvent borrowers and would re-discount freely for the private banks. Its own discounts rose from 431,900,000 roubles on November 23, 1903, to 472,700,000 roubles on January 1, 1904; but this increase was not much more than usually occurred in the beginning of the year and was offset by a decline to 400,600,000 roubles on November 23, 1904. The discounts of the private and joint-stock banks increased from 897,000,000 roubles in August, 1903, to 1,011,000,000 roubles in January, 1904, but fell back in August, 1904, to 962,000,000 roubles. If there was some tension in the money market at the beginning of the war, it yielded to the tendency to contract operations which usually accompanies such conditions; and the strong support given by the Bank of Russia to the other banks led to the return of money at first withdrawn and the increase of their deposits between February and November, 1904, by 38,500,000 roubles.[24]

Some additional issues of notes were ultimately made during the war, but they were chiefly for the two objects of affording a convenient medium of circulation in Manchuria and of drawing gold from circulation into the coffers of the bank. The total increase in circulation during 1904 was 270,000,000 roubles, but this was largely offset by an increase of 181,000,000 roubles in the gold resources of the bank and an estimated decrease of 103,700,000 roubles in gold in circulation. Conditions in Manchuria were peculiar, in that the surrounding countries were not upon a gold basis. Silver was the money in general use, but passed by weight rather than by the nominal value of the coins. The Russian Government found it advisable, therefore, to accumulate a bullion fund, in which rouble notes of small denominations were redeemed, and to issue a considerable amount of such notes while large military forces were maintained in Manchuria..[25] In Russia itself the preference for paper over gold which was the result of the long regime of paper money had not been outgrown and made it easy for the bank to conform to this preference without impairing confidence in the stability of the monetary standard.[26]

22 "Le Marche Financier en 1904-05." 929. The latter rate is close to the theoretical par, which is 94.5758.

23 Helfferich, 89.

24 "Le Marche Financier en 1904-05," 552.

25 "Le Marche Financier en 1904-05," 932.

26 Helfferich, 103.

"Are you in comfortable circumstances?"

"You can judge for yourself, old man! My boy's got four dollars in pennies saved up in his iron bank and I ain't had to break it yet!"—*The Bohemian.*

+

"It's no use," said the young man with heavy rimmed eyeglasses. "I can't get this political economy straight."

"What's the trouble?" asked the professor.

"I can't discover whether a lot of people go broke because we have hard times or whether we have hard time because a lot of people go broke."—*Washington Star.*

THEORY AND PRACTICE IN BANKING.

By Charles W. Stevenson.

IT is safe to say that within the year past the country banker has had a lesson in the theory of banking he will never forget. If anywhere there was one who thought himself sufficient for his own needs and eschewed the theory of the business, it is safe to say he changed his mind. In the days of suspense, when the great system was in the throes of carrying on the business of the country practically without the use of money, this practical banker became aware, if never before, that the credit-currency power of the bank was the very life-blood of trade as it is the very being of the bank.

It is a very simple thing to handle these evidences of the credit power of the bank, this power of the banking system that drives trade throughout the world, these checks, drafts, and bills of exchange, and not give much thought to their use in the sense that they are part of the issue which alone the banking system makes possible. Just now we hear a great deal of discussion over the emergency currency that is to be issued, a very grave and vital problem in the economy of this institution. But, here, within itself, there is a power that acts automatically ever ready to meet the needs of trade and yet wholly dependent on the uniformity of methods, the complete inter-confidence, the unity of purpose, of the banks of the country. Credit currency moves the world.

Work of the Banks in the Recent Panic.

Now, in order to understand this power of the bank we must look at the work it does in detail. The object lesson shall be the work done by the banks in the late panic. For we all know business went on as before.

Three credit elements entered into the work of sustaining the business of the country without the use of money —customers' checks, cashiers' checks, bank drafts and clearing-house certificates. Let us look at the work done by the customer's check.

The bank is running at its full tide of strength. It has been built up through years of service. It need only be mentioned that the customers have book credits that are represented by no money in the bank and never did represent money deposited there, but credit deposits of their own kind. On these book accounts the customers were requested to write checks instead of calling for money. They did so with a unanimity that speaks volumes for the general regard in which the bank is held. And by doing so, if we could station ourselves in a small community where bills are paid monthly, we should see these checks transferring this credit balance from one to another until the whole of a current month's indebtedness is wiped out. There is practically no money used. Each gives a check on his balance. Each uses the check in place of money to pay his indebtedness. In this way there is a cancellation of the entire indebtedness of the small community and the bank deposits stand as they did before. The only change is that the credit balances shown on the bank's ledger have changed from one to another.

In the case where it is imperative for the sake of paying men for work, men who do not understand the use of checks, we see them paid in what is a little nearer the currency of the government, the currency of the bank itself, its cashier's checks, in amounts of one, two, and five dollars, at pleasure of the customer who will write in favor of the bank his own check. It is said that if after the Bank of England is open and running every person in Lon-

don would write checks, the money in the bank might be abstracted and still the business of the community go on undisturbed. So much then for the individual check of the customer.

The merchant taking his month's collections in these checks to the bank asks not for money but for exchange on some central city, and receives it. He uses this to pay his bills to wholesaler, importer, and manufacturer, who in turn take credit for it in the bank of their choice. And this bank having foreign exchange grants the same privilege to the importer. With a paper evidence of his bank's credit he discharges his obligations abroad, as the buyer abroad in turn discharges his obligations by remitting here the exchange he procures there, these accounts crossing and neutralizing each other, requiring in only a few cases that balances be paid in gold, the money of the whole world.

In the acute stringency, however, the banks of the great cities, the banks that held the accounts of country banks and large city depositors, must needs make an exchange of their customers' checks on the morning of each new day. The cancellation of indebtedness here must be rapid, for there are great volumes of credit here that cannot wait. Hence it became necessary to pool their powers and make a central bank issue in the shape of a clearing-house certificate based on the banks' pledged securities. This was done and the cancellation of indebtedness went on uninterruptedly and business was sufficient to supply the needs of life as it had been doing in the days before the panic. These certificates were retired in turn by the same process as they were issued.

The Bank as a Part of the Credit Making Power.

Now, all these things standing out so prominently in the work of the bank illustrate its functioning, and this is because the banks serve the business interests of the country. And why are they enabled to do this save that they have a being that is independent of the mere receiving and paying out of money deposits and loaning to their own customers. The bank in the remote country district beholds itself in this illustration an integral part of a great and beneficent system of credit-making power. It contributes its share to the system and in turn it is the beneficiary of the system. If this were not true in the late panic the banks might all have been closed, and the business of the country would have suffered a complete paralysis. It is for this reason that the integer of the bank is so important a part of the domestic economy of the community. It is for this same reason that the Government should follow the lead of the bankers in legalizing any help to this credit-functioning which the bankers of the country may agree upon. It is a power apart from the capital or work of a single bank, possible only because through the theory and practice of banking combined, all are welded together into a system. The work was done independent of the amount of circulation per capita, to a very large extent the banks and the business going on much as they had before, as has been already repeated, without the use of currency.

Lessons of the Panic.

As to theory, what is a banker to do who does not through the banking publications of the country and the trade publications make himself acquainted with the powers of the bank and its dependency? Did not every banker in the country study, as he had never studied before, the panic-lesson of credit-currency? Does he not now know that the bank responds to the needs of business automatically and because of its inherent power? And responding to business is he not able to apply the power of the bank to better the right conduct of business and thereby his own safety?

The man who gives clearest attention to these larger and remoter aspects of the banking business becomes equipped to carry on the better his individual institution. If there was a country banker who protested that he was in-

dependent, and that he would be ready to meet all demands of his own customers, he knows now that he does not live alone. He knows that he gives part of his strength to the whole and in turn receives a part of the whole strength himself. It is this process that makes it possible for him to issue credit, and his power of issue lies not alone therefore in the associated banks of the country but in the business of the country itself. Here in the end, in the people, and in their ability, energy and honesty, lies the basis of the bank's credit power. It is a creature of time and place, to this extent. It is the servant and not the master of the commerce of the country. Not that the banker may not, as has been shown in these discussions, hold a check on unwise and illegitimate business procedure, but he is himself amenable both to the needs and demands of the business of his time, and also to the ideas of his customers concerning this business. This said, he is still a link in an endless chain. He is still one integer in a system that cannot escape the purpose which calls it into existence—the furthering of the business interests of the whole country.

It follows that be the man the officer of a small or a large bank, he is best equipped for his business when he understands the demands of the banking system and takes a part in the shaping of the power which it exercises in behalf of the people. It was simply out of the question for the country banker to segregate himself from the demands of the panic. He was part of the whole, and knowing this he could exert his power to save his customers from hardship and ruin.

It is because of the bank's intimate connection with the business world through credit, that the banker, be he small or large, should study the trend of events. He it is, because of the part which his institution plays in our general domestic concerns, who can pass on what is real and what is spurious prosperity. He need not and ought not to be a politician in the sense that he actively takes part in the conduct of the campaigns. But he can advise in the vital matters of money-theory and in the influence of capital, for he knows by his own experience and by reason for his dependence on the banks that are in remoter centres just what part these play in the interest of the whole people.

Not only is he able to discern the real from the false in the business of the country because he understands the relation of credit to the whole and of the bank to credit, but he can protect thereby the interests of his depositors. If he is in a remote district of the country, he will necessarily be at the mercy of events that are in the thick of things, but for this reason he will the better be able to meet the emergency of action on his own part when it becomes necessary for him to act for himself. No man can know, therefore, too much about the business of the whole country.

Just at the present time there is a great effort to right the so-called wrongs of the business world where large industries operate. No one is better equipped to pass on the feasible control which governments can exercise than the banker, and for the reasons here enumerated.

EDMUND CLARENCE STEDMAN.

Girded, alert, blithe, suavely blithe, and
bland;
A vivid spirit; keen, importunate
On whatsoever gallant quest; elate
Most, prospering on a quest of phrasings
grand
Or graceful, that in happy marriage-band
Might noble meaning with smooth music
mate,
Through deftly-braided measures delicate.
With here of humor, pathos there, a strand—

Such was our Stedman; finer spirit none
Illumined ever any century
Of letters; not effulgent like the sun,
Like a star rather, softly, radiant, he.
What fitter finish—his fame fairly won,
Life to the full his—than euthanasy!

—William Cleaver Wilkinson in *Putnam's and The Reader* for June.

THE TRIAL BALANCE AND THE ADDING MACHINE.

By William H. Kniffin, Jr., Cashier Home Savings Bank of Brooklyn, N. Y.

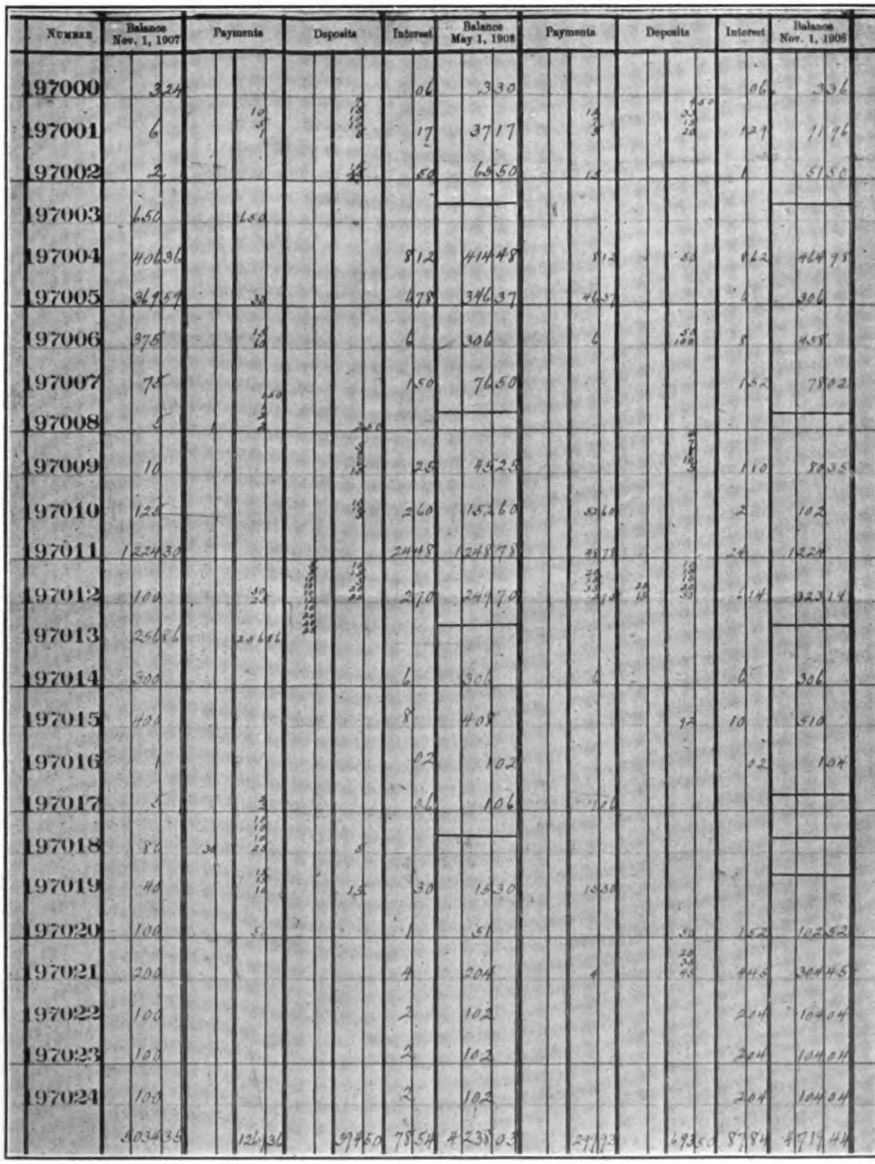
WHEN the head bookkeeper steps into the president's room and says with a smile, "Mr. President, the trial balance is off, and our books are in balance," he has a right to smile. Not because the work is done, but rather because it has been done right. To do it, in this latter day, is a mechanical process; press the keys—the right ones, of course, and pull the handle, and lo, the work is done! A three-dollar office boy may do it and even get it right, but the work that leads up to it, the work which this is intended to prove, the postings, ledger balance extensions, etc., these require the man, and call for constant care and careful work, lest a mistake creep in, somewhere, some time, that will make the trial-balance a burden and a thing to be dreaded. To do it, is easy; to do it right—that is a different matter, and eternal vigilance is the price of accuracy as well as of liberty, and is as apropos to banking as to the affairs of state.

The Bank Man's Burden.

When it is remembered that banks having upwards of a hundred thousand accounts and whose transactions with the depositors number over two hundred thousand a year, exclusive of interest postings, keep their books in perfect balance, the magnitude of the bookkeeping in a large savings bank will at once become apparent. The mechanical process of proving the accuracy of this quarter million entries and extensions is trying at best, but if the figures do not jibe, it may mean a long, tiresome hunt to unearth the error. The bank that thus keeps its books in balance must have due regard to system, checks and counter checks, lest in the vast sea of entries, an error, simple in itself, and yet the easiest thing imaginable, creep in to discount all that may have been done correctly. Many men, of many minds, have wrestled with the problem, and each has solved it in his own way—the best of course—but it is not the item that is correctly handled that causes the work and the worry; it is the unlooked-for, the unexpected, the unnoticed, that rises up to mock us. Until that man is born whose brain never slips a cog; who never gets five out of two plus two; who is more machine than man, and cannot err, the trial-balance will cause the knight of the pen more or less apprehension.

The expert, who was really expert at his trade, but nevertheless in adding a column of figures set down the five and carried the two, when he should have done the reverse, and whose brain persisted in doing this several times, may have felt like going into the back yard and "using language," as David Warfield would put it, but a dictionary full of "language" would not explain *why* he did it. We rate him a numskull in error because of this, and likewise we must not judge him an expert just because he didn't.

The object of all accounting is accuracy, and all sorts of schemes and checks galore have been devised to prevent errors, but once getting through



Number	Balance Nov. 1, 1907	Payments	Deposits	Interest	Balance May 1, 1908	Payments	Deposits	Interest	Balance Nov. 1, 1908
197000	3 24			06	3 30			06	3 36
197001	6	[illegible]	[illegible]	17	37 17	[illegible]	[illegible]	1 29	11 76
197002	2		[illegible]	50	65 50	15		1	51 50
197003	1 50	1 50							
197004	406 36			8 12	414 48	8 12	50	8 62	464 98
197005	369 59	30		4 78	340 37	46 37		6	306
197006	375	[illegible]		6	306	6	[illegible]	5	455
197007	75			1 50	76 50			1 52	78 02
197008	5	[illegible]	[illegible]						
197009	10		[illegible]	25	45 25		[illegible]	1 10	80 35
197010	125		[illegible]	2 60	152 60	50 60		2	102
197011	1224 30			24 48	1248 78	48 78		24	1224
197012	100	22	[illegible]	2 70	247 70	[illegible]	[illegible]	4 14	323 14
197013	206 86	206 86							
197014	300			6	306	6		6	306
197015	400			8	408		92	10	510
197016	1			02	1 02			02	1 04
197017	5	3		06	1 06	1 06			
197018	80	[illegible]	5						
197019	40	[illegible]	15	30	15 30	15 30			
197020	100	50		1	51		50	1 52	102 52
197021	200			4	204	4	[illegible]	4 45	304 45
197022	100			2	102			2 04	104 04
197023	100			2	102			2 04	104 04
197024	100			2	102			2 04	104 04
	5034 35	126 30	974 50	78 54	4238 03	271 93	693 50	87 84	4719 44

Form 1.

Form Combining Trial Balance, Interest Computation, Skeleton Ledger and Proof of Ledger Extensions. Quite an Elaborate Form Necessitating Much Labor, but a Sure Test of the Balances. Used by the Springfield Institution for Savings, Springfield, Mass.

the first proof, or a counter error occurring to balance, only at the testing of the work as a whole will the slip be discovered. Then, somewhere in a thousand or two thousand accounts; or somewhere in three or six months' work, a miss has been made and nothing remains but to hunt it up.

The experienced bookkeeper learns of the most likely places for such mistakes to occur, but these failing, he is "up against a proposition." For in-

stance, a shortage of $81.00 would naturally, applying the rules of 9's, be $90.00 posted $9.00; a shortage of $10.00 might be an omission, a $5.00 credit posted as a debit, a double posting, a mistake in footing, extending, etc.—a dozen places readily suggest themselves, but when the unusual turns up and no rule is applicable, *it is a proposition.*

A Bank Man's Waterloo.

There was a bank man who thus prided himself on his ability to locate errors; whose trial balance always balanced, not without work and some worry, to be sure, but before he got through it was correct. But he met his Waterloo, and it was nothing less than a three cent shortage. For a whole week he hunted in vain. He checked the extensions, the postings, even the footings of the adding-machine, but in vain; everything was provokingly correct.

Now, the novice would say, "why didn't he put three cents in?" Any bank man would quickly answer, "three cents had nothing to do with it, and putting three cents in would not have helped his case." It was an error in accounting, and while figures do not lie, they often give us a long chase to find it out.

One test remained for this expert in accounting, and if done with care, nothing could get through this proof. It was a long, unwelcome task. Taking the previous correct balance of each account in the group, and adding the interest credited and the deposits, and subtracting the debits would give the correct balance, and even the closed accounts must yield to this. (See Form 1.) And there it was. Account No. — had, or should have had, a balance of $8.45. In writing up the book and extending the balance, the "other man" (for the joke was on him) had mistaken a figure and made it $8.42. The teller paid this amount, and this being a small bank, where one man is everything, from legal adviser to the poor to assistant to the janitor. the "other man" posted this item himself, footed and ruled the account, presuming if it was closed, it must balance. It didn't—for he made one of those foolish errors that wise men are prone to make, and the Bizzy Bee Savings Bank owed Amanda Jones the great and magnificent sum of three cents and did not know it—neither did the dear old lady, but the "expert" can now swear that such liability existed and it took him a week to find it out. Here, the footings were right (but did not balance), the posting likewise, the ledger extension right,

TRIAL BALANCE AND INTEREST ABSTRACT

NO.	TRIAL BALANCE	INT. BALANCE	6	5	4	3	2	1	INTEREST
10250	25107	225	200			25			435
51	1020	10	10						20
53	100	70	50			40			140
54	3050	20	10			10			30
55	105010	1050	1050						2100
56	50	40	20			20			60
57	300	250	200			50			450
59	9075	90	70						180
60	800	700	600			100			1390
61	103092	1080	1680						2160
		3555	3310			245			6865

Form 2.

Combination Trial Balance and Interest Abstract, adapted to either monthly or quarterly method. The totals for the three and six months must equal the interest balance. Interest computation proves itself, the only chance for error is in the distribution.

15

NUMBER	6 MONTHS.	5 MONTHS.	4 MONTHS.	3 MONTHS.	2 MONTHS.	1 MONTH.	NO INTEREST	DIVIDEND	BALANCE AFTER DIVIDEND.
503	2.12							4	2.16
5	2,812.00							56.24	2,868.24
7	300.00							6.00	306.00
8	218.45							4.36	222.81
9	404.74							8.08	412.82
12	1,027.39							20.54	1,047.93
3	914.78							18.28	933.06
4	802.16							16.04	818.20
5	180.66				46.32			3.90	230.88
7	511.19							10.22	521.41
8	30.17							60	30.77
9	616.29							12.32	628.61
20	1,000.00							20.00	1,020.00
1	500.00							10.00	510.00
3	500.00							10.00	510.00
5	1,072.87							21.44	1,094.31
6	224.45							4.48	228.93
7	17.75							34	18.09
8	789.25							15.78	805.03
9	2.57							4	2.61
32	30.57							60	31.17
3	83.70							1.66	85.36
4	2.73		13.54					21	16.48
5	618.35							12.36	630.71
6	1,180.57							23.60	1,204.17
8	584.30							11.68	595.98
9	1,091.79							21.82	1,113.61
40	1,090.04							21.80	1,111.84
1	248.52							4.96	253.48
2	561.19							11.22	572.41
7	263.12					119.95		5.65	388.72
8	213.16							4.26	217.42
50	50.00					25		1.08	76.08
1	26.67				9.26			58	36.51
2	2.23							4	2.27
5	33.39							66	34.05
8	110.62							2.20	112.82
9	777.50	130						17.70	925.20
60	4.86							8	4.94
1	1,613.83							32.26	1,646.09
5	145.90	15						3.15	164.05
7	2,157.26					500		44.80	2,702.06
8	39.55	5						86	45.41
9	563.06							11.26	574.32
73	407.11			35				8.49	450.60
4	267.46			35				5.69	308.15
7	559.34							11.18	570.52
8	102.95							2.04	104.99
9	200.90							4.00	204.90
80	1.02							2	1.04
	24,958.53*	150	13.54	70	55.58	644.95		504.61*	26,397.21*

Form 3.

Trial Balance and Interest Sheet—Showing Use of Adding Machine.
Used by Chelsea Savings Bank, Norwich, Conn.

cash right—everything right but that little slip, and a miss of an inch is as bad as a miss of a mile, when the trial-balance is at stake. Why didn't he detect it? Well, he didn't.

Doubtless, in a larger bank with a more complicated system, this could not occur, but others seemingly as foolish, might easily pass unnoticed.

THE ADDING MACHINE TO THE RESCUE.

It takes no prophet to foretell that within a few years, the adding-machine will be in universal use, both in banks

and business houses. The man "as deaf as an adder" will be a museum freak. The "fifteen bank" machine, allowing the full number of the account, together with the ledger balance to be listed, makes itself especially valuable. As to systems, they are legion. In many instances, the trial-balance forms the basis of the interest computation; but where this is not the case, and in many instances where it is, the forms are merely a roll, or loose sheets of paper, as suits the fancy. Where the two are combined, it simplifies matters, the one aiding the other, and a few representative forms for such are shown. (Forms 2 and 3.)

In other days, the trial-balance was a work of art. A nicely bound book, with columns for full name, number of account, balances, etc., etc., all nicely done in ink. As the number of accounts increased the given name was dropped and initials only taken; then the pressure of business cut it down to the surname only; finally, only the number was taken, and that is sufficient. Now the machine does it all. (Form 3.)

Just imagine taking a trial balance by hand, as one bank did for years, in pencil, with all this detail for 5,000 accounts, and then taking a month to transcribe in ink the aforesaid work of art, and filing it in the graveyard, awaiting the day of judgment. Useless work, from every standpoint and serving no good purpose. When the examiners came 'round, the art exhibit was duly brought forth with much pride. "What is this?" they ask. "The trial balance." "Very nice, but too prim and precise to be true. Did you get it right the first time?" they ask. "No, that is only a copy," and the original, full of checks and cross checks showing long hours at it, is brought forth, much to Mr. Examiner's satisfaction, and the work of art goes back to the graveyard, where it should have been left before it was born.

DEPOSITORS' BALANCES

Balance Dec 1, 1907.		December.		January, 1908.		Dividend, June 1, 1908.			
Number.	Amount.	Dr.	Cr.	Dr.	Cr.	6 Months.	3 Months.	No Int.	Dividend.
0.128	1232					1232		100	24 64
129	11 70					11		70	22
131	8 22		10			8	10	22	26
133	1 01					1		01	02
134	928					928			18 56
137	2867					2867			57 34
138	12 02					12	18	02	42
140	90 17					86		11 17	1 72
142	10	8 12	12			2			04
143	837 37					837		37	16 74
144	19 08					19		08	38
145	1					1		20	02
146	1010					1010			20 20
147	12 87				3	5		87	10
150	8219 17		100			8219	100	17	165 38
	15259 61					15238	128	133 61	306 04

Form 4.

Trial Balance Sheet combined with a skeleton ledger, showing two months only, on account of the great length of the sheet. The Society for Savings, of Hartford, Conn., keeps 64,000 accounts in perfect balance by this system. February, March, April and May omitted. Card system used for individual accounts.

Helps to Accuracy.

The trial-balance is a test, a proof, and not a chromo. Its sole object is to prove, and that system is best which will accomplish this result in the quick-

est and easiest manner. The result should be primary; the looks secondary. Looks are good, but results are better. To facilitate this work, one thing is primarily essential, i. e., that the ledger balances be correct. This will come under the head of posting and proving methods, and be the subject of another paper (see Forms 1 and 4.) Without good systems to keep these correct, the trial-balance becomes a nuisance; with these accurate, it is a mechanical process, as above noted. But aside from this, three things seem to be advisable in this connection and quite commonly in practice; namely, first, the grouping of accounts, so that each section or group may be proven separately. An error developing, it is far easier to locate it in a thousand accounts than to be obliged to hunt through five thousand; to have three or six months' periods under test, than to wait until the end of the year. Some banks take tests monthly, others quarterly, but most commonly, every six months. In larger banks, the balances that are disturbed are proven at the time, but only the final testing will prove the work as a whole.

The journal-cash book, in common use in most of the smaller banks, ruled in columns representing these groups of accounts, makes it an easy matter to keep account with each section and prove separately. The same result is accomplished in the larger institutions by using sheets, with proper rulings for distributing the transactions. Representative forms will be shown when discussing the posting methods. The perforated sheet, quite commonly used, forms the basis of an admirable system, both for posting and proving.

Secondly, to avoid including items, subsequent to the date of taking the balance. The credits must not be included; the debits and closed accounts must be in the balance. It therefore becomes necessary to do it quickly, with as little chance for this as possible. If the bank could shut up shop and do no business until this work was over, all would be well, but business must go on, and the daily routine followed, else a huge mass of work would accumulate. Some banks postpone the ledger extensions until this work is complete, and one omits posting altogether, but where the daily test of the balances disturbed is made, this is quite impossible, and great care must be taken not to list that which does not properly belong in the balance. Here the rapidity of machine work becomes exceedingly valuable.

Thirdly, to keep the trial-balance and interest work separated, so that the two do not fall on the same date. Interest methods will not be discussed here, but suffice it to say that every man has his own way of doing things, and some seem to have selected the hardest and most cumbersome methods imaginable. However this may be, they both require time, and where the trial-balance forms the basis of the interest work, the periods should be near, otherwise it is of no use. In the majority of instances, only the drafts affect the interest after certain dates and the interest work can be anticipated to a large extent. If interest is paid in July and January, as is generally the custom, the trial-balance can be taken to advantage in May and November, leaving the months of May and November for trial-balance work and June and December for interest computation, and this would seem to be highly desirable. One bank for a long time tried to take its balances on the first of January and July, paying interest on the same dates, but soon found itself hopelessly at sea and obliged to change.

The Machine in Action.

No matter what the system, either of posting, proving, or interest work, one thing remains true, the adding-machine has now become *the means*. For this it is eminently fitted, and is coming to be a necessity. Were you to play the role of philanthropist—"one who makes life easy for others"—and journey among the banks, especially those a bit antiquated in their ideas, with an adding-machine under your arm, you would

meet the usual excuse, "Yes, we know you have a good thing—a mighty good thing, but we're a little bank, you know, and would have no earthly use for your philanthropy, save on the trial-balance, and we can hardly afford so expensive a luxury just for that; and besides, we have always done it by hand—why change now?" But listen—he will buy it, some time, just for that! And it is worth all it costs—just for that!—it really is. I am not speaking in favor of any one machine—it is the idea I would extol.

For the good of the man who adds this to his outfit, a friendly word of warning—learned in the bitter school of experience—may not be out of place. If you have the idea that "it adds what it prints and prints what it adds"—forget it, for it don't—not always, and it took another bank man another week to learn this little trick. The affable agent knew all about it, but forgot to tell him, and he had to discover it for himself. This is how it happened. A shortage of something like $1,235.67 occuring at trial-balance time in one group of accounts, all the usual methods were exhausted without result. Taking it for granted that this expensive outfit could do no wrong, like the King, he did not concern himself about the footings, and turned to these only when no other source remained.

One of the keys, especially on the later machines is labeled "e." Now "e" may stand for any one of a dozen things, this man took it to mean "error," for it made a mark (≠) opposite the line when it was pressed. In running along at a lively clip, an account may be omitted, or a figure mistaken, and to call attention to the correction of the error, the "e" was pressed, showing that the account was out of its regular order, etc. This was his undoing, for the "e" meant, not "error," but "eliminate," and the totals of such items was just the missing balance. When this is down *it prints what it prints, but does not add what it prints*—it eliminates it from the totals, throws it out, if you please, and 'tis well to know the tricks of the "durned thing," as the Yankee would say, before one begins to pull the handle. Ask the salesman—he knows, but may sometimes forget.

A Famous Ad.

No more unique and successful bank advertisement was ever issued than that of the Schenectady Savings Bank, published in the Schenectady Gazette, of February 20, 1907. It contained every mortgage owned by the bank, by number, rate and amount. Every bond, likewise, by name and rate and due date. While this was no great achievement, the next item, containing the number and balance due of every one of the 22,235 open accounts, was a feat never before attempted by a savings institution. It naturally created a sensation in the Electric City, as well as in banking circles. It cost a thousand dollars, but it paid. Of necessity, it had to be correct, for a depositor, looking for his book number and finding it not, or his balance being askew—something would happen. But it was correct—as nearly so as men and machine working together could get a financial statement. Without the adding-machine, it would have been utterly impossible. Let them tell how they did it: "The accounts were drawn off from the ledger cards with an adding-machine. Each column of the newspaper carried 380 accounts, a footing being made for every column—such footings being carried forward to the end of the list. The numbers of the accounts were put in with a hand stamp opposite the accounts' (this would not be necessary with the 'fifteen bank machine'). Adding-machines were used to foot the *numbers as well as the accounts*, in order to verify. The proofs received from the press, *both numbers and amounts*, we re-footed by the machines. Although this detailed statement was made during one of the busiest parts of the year for a savings bank, and a special abstract of the depositors' accounts being made (our regular abstracts are taken in May and

November) the regular business of the bank was not interfered with to any extent, and no serious inconvenience attended the getting out of the statement. We employed but two extra helpers."

But not only on trial-balance work, as necessary as this has come to be in such processes, but in proving the daily posting, listing (and what bank does not "list"?), in computing interest on daily balances—wherever two and two make four, it will be "with you"—a veritable man Friday.

Some years ago, the writer paid a half-blind man a dollar to learn a simple trick in addition. A simple, foolish trick, but it was a real "find." The next discovery was the card system, with all its various adaptabilities and manifold usefulnesses. The last, and perhaps the greatest "find" of all, was the adding-machine. No matter what the cost, it is the best helper the bank man ever had—the most useful of all such inventions.

It not only helps you add, as did the blind man's trick—it does it for you! It takes away the grind. It spares the writers' cramp, and a visit to the oculist. To keep your postings right, devise your own method. To keep your men honest, place all due safeguards and restrictions, but when the calendar calls for the trial-balance, only one thing there is to do: press the keys—the right ones, of course, and pull the handle.

GERMAN MUNICIPAL SAVINGS BANKS.

Deposits Guaranteed by the Municipalities of the Empire.

IN furnishing the following information concerning the savings banks of Germany, Consul Robert J. Thompson, of Hanover, reports that the deposits are absolutely guaranteed by the public property and taxing powers of the municipalities:

The savings banks of Germany have some 19,000,000 pass books out and their deposits amount to 13,500,000,000 marks ($3,213,000,000). These deposits are practically all guaranteed by the various municipalities of the Empire, and the condition forms a bulwark of confidence in the security of private wealth and earnings that cannot be shaken by hard times, panics, bank failures, etc.

An examination of what might be termed the financial page of a local daily paper discloses the advertisements of five different institutions absolutely insuring savings and trust funds, and paying from three and one-half to four per cent. per annum interest on the same. These advertisements are explanatory and helpful toward a general understanding of a condition that is practically universal throughout the German Empire and which, so far as the establishment of confidence is concerned and the encouragement from this standpoint as well of the receipt of a good fair rate of interest for money deposited, would seem to leave nothing to wish for in the way of bringing into use and circulation the savings and cash possessions of the whole population. It will be seen that the municipal or city government stands good for the deposits with its taxing powers which put such deposits on exactly the same basis, so far as security goes, as a city or county bond, which is perhaps as good a guaranty as has been devised. At any rate the thrifty German considers himself well secured by the guaranty of his own city.

Guaranty Against Loss.

Of the five mentioned advertisements of savings banks in the local newspaper, two will serve as illustrative of the whole:

(1) Open on working days from 8.30 a. m. to 1 p. m. and from 3 to 6

p. m.; depositors guaranteed by the administration; interest on deposits four per cent.; withdrawals on demand; safety vaults rented; family pass books issued.

(2) Open every working day from 9 to 12 a. m. and from 3 to 5 p. m.; also on Saturdays, as well as on the first and last working days of the month, until 6 p. m.; savings deposits guaranteed by the city of Hanover; interest 3½ per cent. For deposits made on the first five working days of the month interest is allowed from the first day of the month; in other cases interest begins on the first of the following month. On deposits recalled on the last working day of the month interest is allowed for the month. As a rule deposits may be withdrawn without term of notice. In addition to the ordinary savings bank pass books, books for wards as well as time-deposit books and rent saving pass books are issued.

With one exception—where a city savings bank was looted many years ago by the director, the defalcation being at once made good by a special tax—I have failed to elicit any information regarding bankruptcy or failure of any of these savings institutions in Germany. In speaking of the soundness of municipal savings banks, the director of the Hanover City Savings Bank says: "Failures of city savings banks are now impossible, so that losses up to the present time have been out of the question, either for the depositor or for the guarantor."

Large Number of Deposits—Profits Applied to Municipal Uses.

The two municipal savings banks of Hanover carry only savings accounts. The total amount of deposits in these two institutions is 91,257,909 marks ($21,719,382). The total number of accounts in the two banks is very large, being 149,615, making the average for each account about $150. This figure makes a favorable showing of the economic standing of the community when the large number of depositors is considered in relation to the population.

The profits of these institutions, after the creation of a reserve fund which shall amount to ten per cent. of the deposits, go to the city, and are used for charities and corrections and for beautifying the city streets, squares and parks. Thus a sense of municipal pride and patriotism is appealed to; and with the highest form of guaranty of safety, the payment of a fair and liberal rate of interest, the establishment of numerous branches for receiving deposits, and the adoption of hours suitable to the convenience of working people, the German savings banks set a fine example to other countries.

SCHOOL SAVINGS BANKS.

Reports of the school savings banks of the United States, compiled by J. H. Thiry of Long Island City, N. Y., show that the school savings bank system is now in operation in 1,102 schools of 101 cities, and that the pupils have saved since introduction $4,419,453.86, of which $3,659,807.77 has been withdrawn, leaving a balance of $759,646.09 due 178,817 depositors on January 1, 1908.

NOTICE OF WITHDRAWALS.

At the recent meeting of the Savings Bank Association of the State of New York, in New York city, President W. Bayard Van Rensselaer, in his annual address, suggested the feasibility or desirability of requiring notice on every withdrawal. He said that this thought was suggested to him by a visit to the Philadelphia Savings Fund Society, incorporated in February, 1819, which on the first of January last had 265,206 open accounts, considerably more than any savings bank in this state.

Regarding the investments of savings banks in New York city bonds, Mr. Van Rensselaer said:

"My attention has been called to the fact that the savings banks of this state have invested $150,000,000 in the bonds

of the city of New York, and that the accounts and methods of the Department of Finance of the city are now kept in an antiquated and chaotic manner. It is of great importance to the savings banks that the municipal finance of all cities, in whose bonds we may invest, should be placed and maintained upon a sound and business basis.

"These reforms in the finances of New York city will not be brought about, it is feared, without a strong expression of public sentiment and the emphatic demands of those institutions which should know the exact state of affairs.

"I suggest that at this meeting we pass a resolution urging the adoption of the plan for a reorganization of such department."

NOT IN THE BARGAIN.

MANY stories have been told illustrating the attempts of depositors to get even with the banks for limiting cash payments during the late money scare. The following is from the "Youths' Companion":

During the financial stringency, says a Western banker, we were compelled to limit the amount our depositors might withdraw to $10 per day. It occasioned some inconvenience, but most of our patrons took the matter philosophically. One man, though, an eccentric old farmer, was highly indignant when we refused to let him withdraw $60 at one time.

"Doesn't the money belong to me?" he demanded.

"Certainly," I told him, "but we have other depositors to accommodate, and as the Eastern banks have tied up our money, we can pay out only a limited amount each day."

The explanation did not appear to be very satisfactory. So, partly to mollify him and partly because I knew that he had unusually fine poultry, I bargained with him for a Thanksgiving turkey. I paid for the turkey in advance—a good stiff price—and he promised to deliver it dressed on Thanksgiving morning. At an early hour he arrived with a large bundle, but when the wrapper was removed from the package it proved to be a pasteboard box containing a solitary turkey leg and this note:

Dear Sir—The demand for turkeys has been enormous, and as I have other customers to accommodate, I can supply you with only a part of your turkey each day.

I was considerably put out, but I made the best of the matter and bought another turkey at the butcher's shop for our Thanksgiving dinner. The next morning the farmer sent a turkey wing, and the following day we got a thigh, and for over a week that eccentric old fellow sent to town every morning a piece of that turkey. Then I received this note:

Dear Sir—Your colored cook informs me that you have "done gobbled all that turkey," and I wish to warn you that you are overdrawing your account. You didn't bargain for the gobble.

SALE OF RARE OLD COINS.

AT an auction of rare coins held in Philadelphia recently, seven hundred and nine lots included in the collections of Richard L. Ashurst, J. F. Seybold and Carl Brunn were sold to numismatists from New York, Chicago and other cities.

After many pieces had been sold at prices ranging from 5 cents to $20, a number of gold coins that were a medium of exchange in the early days of California were offered. The bidding was brisk, and one was bought for $342.50 by Thomas L. Elder, of 32 E. 23d Street, New York. This piece of pure California gold is in the form of a rectangular ingot, weighs about an ounce, and has an intrinsic value of $16 stamped on its face. This corresponded to the value of the Spanish doubloon, which was the principal gold coin in use in California at that time, and also to the value of an ounce of gold dust. It is one of the earliest of the "necessity" coins of California, and, as nearly all of them were probably recoined upon the establishment of the mint in San Francisco, it is today exceedingly rare.

Mr. Elder paid $38 for a $5 gold piece that was coined in Salt Lake City in 1849 under the authority of the Mormon Church. On one side is engraved a bishop's mitre and on the other the words "Holiness to the Lord." A Colorado coin, with Pike's Peak on the diadem, brought $15, and a United States silver dollar of 1794 was sold for $111. Hard times tokens went for from 2 1-2 cents to $2.10 each, and a 1904 coin bearing the half-length bust of President Roosevelt brought $5.25.

TRUST COMPANIES

Conducted by Clay Herrick.

OBEYING THE LAW.

WHILE much attention is properly being given to legislation designed to safeguard the business of trust companies and other financial institutions, it is worth bearing in mind that, after all, the enforcement of what laws we have is of more consequence than the enactment of new ones. Even in states whose trust company legislation is crude and incomplete, the company which lives up to the letter and spirit of the law is not apt to go far astray from the paths of sound business principles. Those that fail are quite invariably those that strain, disregard or disobey the existing laws. To prevent violation of law by such concerns, legislation must keep pace with the best methods of supervision and regulation; nevertheless the soundness of any company must still depend primarily, not upon the statute law, but upon its observance of law and of sound business principles.

CHARACTER IN BANKING.

IN any period of financial stress, one fact that stands out so boldly that "He who runs may read" is that the fabric of our banking system—or of any banking system—rests not upon talent but upon character. The most successful management of a great trust company does, of course, require some talent: and granted character, the more talent the better. But the bed-rock upon which the whole structure stands is character, and without it no amount of talent will prevent ultimate collapse. The trust company world gives employment to many men of great ability; yet the general soundness of our trust companies is due to the *character* rather than to the ability of the men who manage them. Bringing a trust company safely through the strain of a panic is not dependent so much upon great talent displayed at the moment of trial as upon homely integrity persistently exercised during the years and months that precede the strain. If all this is trite, it is also timely, and like most truths, needs frequent repetition. It is one of the essential lessons of the past few months.

In discussing the causes of failures of New York state institutions in his last annual report, Superintendent of Banks Williams names "Corporate abuse" as one of the chief causes, and says:

"The forms of corporate abuse principally contributing to these failures were: A general disregard of law; lack of conservatism in management; inattention to, and disregard of, duties of directors; improper use of corporate credit for personal advantage."

Are these contributory causes ascribable to a lack of ability, or to a lack of character?

Upon this subject the "New York Times," in a recent issue says:

There is no necessity for a guarantee of smartness. Perhaps no profession requires more character and less talent. To insure a bank against failure nothing more is required than good business ability, common sense, honesty, and observance of the statutes. One of the most distinguished bankers in the world has said that no bank officer needs to have any more intelligence than suffices to distinguish between a mortgage and a promissory note. What is required is rare—decision enough to make it certain that neither friend nor enemy shall palm off one for the other. No statute will give these or any other mental

or moral qualities, and there is no reason to believe that any bank ever failed which faithfully complied with the existing laws.

TRUST COMPANIES AS SAVINGS BANKS.

THE decision to hold the sessions of the Trust Company and Savings Bank Sections of the American Bankers' Association on separate days, so as to permit the members of each Section to attend the meetings of the other, again calls attention to the position which trust companies have come to occupy as savings institutions. The members of the two sections find that they have much of mutual interest in the discussions and the papers read. So far as the savings departments of trust companies are concerned, their functions are practically identical with those of the savings banks; and indeed there are not a few trust companies whose business is confined mainly to that department.

AUSTRALIAN AND CANADIAN TRUST COMPANIES.

REPORTS from trust companies in Australia and in Canada indicate that the idea of corporate trusteeships is steadily winning favor among the people of those countries. The business of the Australian trust company is strictly confined to the exercise of trust functions. In Canada trust companies have rather more latitude, but confine themselves mainly to trust business, not undertaking so wide a range of functions as the American companies.

The oldest and largest trust company in Australia—The Trustees, Executors & Agency Co., Ltd., of Melbourne, in its report for the half-year ending January, 1908, shows an increase over any other half-year of its thirty years of life in the number of new estates administered. The amount of its trust, executor and agency business is reported at £8,665,493.

The Toronto General Trust Corporation, which is the oldest and largest trust company in Canada, in its twenty-sixth annual report, for the year ending December 31, 1907, reports new business to the amount of $3,952,831.72, as follows:

Executorships	$834,402.59
Administrations	352,115.40
Trusteeships	2,060,325.45
Guardianships	26,536.08
Agencies	374,593.14
Guaranteed investments	264,698.66
Ordinary investment agencies..	15,828.
Lunatic estates	24,332.72

This does not include bond trusteeships for a considerable amount. The company's statement shows totals of $32,909,902.68, which includes "Capital Account," $1,469,868.78; Trust, Guaranty and Agency Funds, $16,654,-331.63 and Trust Estates and Agencies, being "Inventory value of unrealized original assets of Estates and Agencies under administration," $14,785,702.27. There are no deposits other than trust funds.

OHIO'S NEW BANKING LAW.

AFTER years of effort the Ohio Legislature has at last been induced to pass a comprehensive banking law. The Thomas Bill, which passed in April, 1908, while not entirely satisfactory to the banking fraternity and others interested in careful legislation on the subject, is a step in the right direction, and a great improvement over the chaotic legislation under which Ohio banks and trust companies have been operating. The bill establishes a banking department, and provides for the incorporation and regulation of the various classes of financial institutions. Trust companies are in most respects subject to the same regulations as other banking corporations, and the law authorizes five or more persons to become incorporated to establish "A commercial bank, a savings bank, a safe deposit company, a trust company, or to establish a company having departments for two or more, or all of said classes of

business." A combined trust company and savings bank must have a capital of at least $100,000. The existing trust powers are not changed. The reserve requirements for trust companies are identical with those for savings banks, and the same as those for commercial banks except as to the amount of cash to be carried in the vault. The latter must carry a fifteen per cent. reserve, and at least six per cent. "of that part of said deposits which is payable on demand, and at least four per cent. of that part of said deposits which are time deposits" must be in the vault in cash. Savings banks and trust companies may invest half of the cash reserve in certain municipal securities; and where the required cash reserve exceeds $500,000, the amount in excess thereof may be invested in United States Government bonds. No reserve is required for trust funds. All the institutions named, including trust companies, must make reports to the Superintendent of Banks, upon his call at least four times a year, so far as possible upon the same days as national bank reports; and must be examined by him at least twice a year.

PAPER MAKING FROM SUGAR CANE.

THE claim of a sugar planter on the island of Trinidad that he has discovered a practical method of making paper from the stalks of sugar cane, after the juice has been extracted, has attracted attention. The claims of the inventor are set forth in a report to this government by Consul-General Richard Guenther of Frankfort, Germany.

The increasing scarcity of spruce, which is the wood must used for paper making, is well known. Active search is being made in many parts of the world for materials to take the place of pulpwood. Enormous quantities of ground sugar cane go to waste at the sugar factories. Some of it is used for fuel under the boilers, but a very large part is left to rot.

From time to time experiments have been made to convert the bagasse, or cane refuse, into paper, but with limited success, commercially, unless the Trinidad planter's claim is well founded. He is confident that he has made a valuable discovery and has built an $85,000 paper mill as an adjunct to his sugar factory. He has turned out paper worth $24 a ton, according to Consul-General Guenther. About a ton and a quarter of cane makes a ton of pulp. It is reported that the process of manufacture is comparatively inexpensive. The planter claims that it will pay to grow cane for paper alone, leaving the sugar as clear profit.

TURN ABOUT IS FAIR PLAY.

IT happened at a well-known savings bank. An aggressive looking woman sailed in to open an account. The clerk put her through the usual string of questions—name, age, residence, and finally family. "Any brothers?"

"Yes, four," was the reply, and the clerk recorded the genealogies of the four.

"Sisters?" proceeded the clerk.

"Seven," answered the woman wearily, and was forced to relate the life history of the seven sisters.

When the clerk had at length written down the residence of the seventh sister, the woman straightened up. "Now look here, young man. I'm a busy woman, and you've kept me here answering your questions before your bank will condescend to take my money. Now I'll ask you a few. How many times has the president of this bank failed to be indicted?"

The clerk dropped his pen, dumbfounded.

"How many times has he been in jail?" the Amazon continued.

"How long since the last cashier absconded?" Here the woman flung her questions so rapidly the clerk could not get in a word edgewise.

The inquisitor paused a moment for breath, and the clerk pulled himself together. "Madam, I assure you, our cashier is a Sunday school superintendent," he replied crushingly.

"Oh, is he?" exclaimed the woman. "Why didn't you tell me that before? Then I don't open any account in this bank. Good day," and the Amazon stalked out.—*The Newsbook.*

PRACTICAL BANKING

A SYSTEM FOR THE DAILY BALANCE.

SINCE the advent of the adding and listing machine, many of the old methods in the daily routine of bank work have, of necessity, been abandoned and many new ones incorporated because of the use of this "almost human" invention. Its coming has created a need in the teller's department for an up-to-date system for keeping the daily balance or blotter sheets. This need seems to be satisfied by a practical system devised by W. J. Kommers, assistant cashier of the Old National Bank, Spokane, Wash., and now in use by this bank. Through the kindness of the Burroughs Adding Machine Company we are able to describe it here.

The adding machine, while facilitating materially the listing and adding of the many items passing through the teller's department, by its improper application may cause quite as much trouble as the old, out-of-date system, because the practice generally followed has been to machine-list the items on the old standard width of roll paper and afterwards paste the slips, under their classified heads, in a bound book. But by means of a wide carriage, permitting the insertion of a full sized sheet of paper, many a handsome record may be obtained, which, when combined with modern loose leaf features, will furnish a permanent record unsurpassed for compactness and completeness.

The printed heads at the top of columns are, of course, named in accordance with the character and classification of the items to be listed, and the number of columns to be allotted to each must be determined by an estimate of the number of items for one day. Printing the credit side in black and the debit side in red ink, has been found very helpful in guarding against errors of listing items reversedly.

As there would be considerable repetition in an attempt to deal with each of the forms used by the various departments, a description of the sheet used by the receiving teller for the entry and classification of his items is sufficient.

The Receiving Teller's Blotter.

Examining first the debit side of his blotter sheet we find, beginning at the left, columns headed A-G, H-O and P-Z, into which are listed all of the checks coming under these alphabetical sub-divisions, each representing an individual ledger. Next follow the remittances, which are classified into three sections headed: "Reserve Agents," "Country Banks" and "Transits." Under the first head are listed all remittances sent to correspondents, which are recognized as reserve banks. Under the second, all such as are sent to country banks keeping accounts with the bank, and under the third, all miscellaneous out-of-town checks sent to banks with whom there are no established business relations. Under this last head are included also all drafts drawn on individuals, time drafts with bills of lading attached, or any other checks or drafts upon which special returns are desired.

Full length columns are allotted the heads just enumerated, since they comprise the bulk of the debit items to be listed. Sub-heads may be assigned for the remainder.

Under the head of "General Ledger" are listed the items and entries to be passed to the general ledger keeper, such as bank drafts on the bank, Certificates of Deposits paid, cashier's and certified checks and, in fact, all entries against the "general" and "bank" accounts of the bank. Since, as is often the case, the Bank Ledger is combined with the General Ledger, the three divisions of remittance items are consolidated and their aggregate carried to the head of "General Ledger." Short sub-heads are provided also for each of the tellers, since during the course of the business day, it frequently becomes necessary to pass checks or cash to one another.

Reversing the sheet, we view the credit side of the blotter sheet. In general arrangement, this side greatly resembles the order just described, but on it are listed all of the various items of "credit." The teller's assistant, or so-called blotter clerk (usually one of the junior force), being thoroughly conversant with the classification of the various debit and credit items, assorts them into compartments, as rapidly as they are received over the window by the teller. When a sufficient quantity of items has been accumulated and assorted, he proceeds to list. Inserting the blotter sheet into the machine, debit side up, and bringing the carriage forward to the first column at the left, he lists all the checks for the A-G bookkeeper, and strikes a total. Moving the carriage on to the next head of column, he lists all the checks for the H-O bookkeeper, and in this manner he proceeds to the end of the sheet, when all debit items will have been listed. Then withdrawing the sheet, he reverses and reinserts the same, credit side up, for the listing of all the credit items in their respective order. Concluding this operation, the sheet is withdrawn, and to keep it entirely out of the way of other matter when not in use, it may be suspended by a clamp to the wicker of the cage. Ordinarily, one blotter clerk can keep up the work of assorting and listing for the receiving and paying tellers, though it may be easily arranged to add another for stated periods of the day.

Easy to Detect Errors.

There is provided for each of the bookkeepers and remittance clerks, a separate file into which the items just listed by the blotter clerk are placed and where they await their removal. As each of the clerks calls for his respective items, he again takes a machine list and proof of the same, verifying his own total with that shown on the blotter. If a difference results, the error is then and there corrected, and not until it is corrected will he attempt to mingle the items with those received from other sources. This same procedure is carried on throughout the day and thereby a perpetual check is maintained on all the work as it progresses. The proof lists secured in this manner are retained and added to, so that at night each clerk has his own list exhibiting the total of items received by him during the day. It is with the total of this list that he proves the correctness of his day's work and he need not again consult the tellers or anyone else to assist him in locating any later discrepancies. This process entirely dispenses with the annoyance attendant upon a rechecking with the tellers after the closing hour. Another most valuable feature of this periodical proof, redounding to the benefit of the teller is, that he may, in the event of an error in his balance, confine his search exclusively to a review of his window work. All clearing-house items are entered upon a separate sheet, both sides being used, with sub-divisions for each bank that is a member of the clearing-house. The total of these clearing-house items is brought forward onto the blotter sheet and recapitulated under the head of cash. In the lower right hand corner of each side of the blotter sheet, a schedule is provided for recapitulation. Into this are carried the totals of the various heads, the aggregate of which exhibits the grand total of the debits

and credits for the day. By lapping the sheet so as to bring the credit and debit recapitulation side by side we have, in plain view, a complete and comprehensive proof of the day. For an itemized statement of cash, a small book is kept by each of the tellers showing in detail the various denominations in gold, currency, silver and cash items. This process completes the receiving teller's work for the day, but in the morning he will surrender all cash and clearing-house "exchanges" to the paying teller, charging him with the same.

Consolidation of all the Blotters.

We now come to the final step of the day's work, that of consolidating the blotters of the various departments. This is usually done on the sheet of the Collection-Teller, if it permits of the requisite space, though a separate sheet may be used. Here we have assembled the aggregate of all the various items of debit and credit, as gathered from all the tellers' sheets, furnishing a complete and accurate proof of the day's work, and at the same time, exhibiting the amount of cash held by each. The consolidation being completed, the sheets of the Receiving Teller, Paying Teller, Savings Teller, Mail and Exchange Teller, and Collection or Note Teller are gathered and filed into a "post" transfer binder. By a collection of all the sheets and filing them into one binder, a permanent and ready reference is obtained as compact and complete as it is possible to make it. Thus we have, in effect, the application of a loose leaf principle to a "Teller's Blotter System." Contrast this with the system employing a separate bound book for each teller, every book perhaps of a different size, and the superior advantages of the loose leaf are self-evident. The most prominent and valuable features of this system are its elasticity and practical adaptability. Once adopted, it never need be changed. It permits of unlimited expansion by a mere increase in the number of sheets. Neither is its adaptability confined to the requirements of a large bank.

THE DOUBLE LIABILITY.

ONE of the eloquent and witty bankers of the country is William S. Witham, president of a number of Southern banks. Here is one of Mr. Witham's experiences, related by himself:

I went into one town and organized a small country bank, and a reporter came down and said, "I want a scoop." I says, "What is that?" He said, "I want to boom you." So the cashier said, "We have $25,000 capital and for the protection of the depositors we have the double liability clause which saves them from loss at all times." "Twenty-five thousand dollars capital and the double liability clause? That is good." The next morning he said, "The bank is now ready and has thrown open its doors for business, and it has $25,000 capital and liabilities for double that amount."

NEW COUNTERFEIT $5 SILVER CERTIFICATES.

NO. 1. Series 1899; check letter A; W. T. Vernon, Register of the Treasury; Chas. H. Treat, Treasurer of the United States. Indian head; back plate No. 707 reversed. Ink lines used to imitate silk.

No 2. Series 1899; check letter C; plate No. 790 or 190; J. W. Lyons, Register of the Treasury; Chas. H. Treat, Treasurer of the United States. Indian head; silk threads between two pieces of paper.

Both of these notes are photo-mechanical productions. The numbering, seal, and large numeral on No. 1 are poorly printed, being very faint, while in No. 2 just the opposite is true, the numbering, seal and large numeral being much darker than the genuine. Neither of these notes should deceive an ordinarily careful handler of money.

BANKING AND COMMERCIAL LAW

Conducted by John J. Crawford, Esq.,
Author Uniform Negotiable Instruments Act.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States courts and State courts of last resort will be found in the Magazine's Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

PAYMENT OF FORGED CHECK—NEGLIGENCE OF DEPOSITOR.

MORGAN vs. UNITED STATES MORTGAGE & TRUST COMPANY.

NEW YORK SUPREME COURT, APPELLATE DIVISION, FOURTH DEPARTMENT, MARCH 4, 1908.

Banks are held to a strict liability in the payment of forged checks, but where the depositor has been negligent in examining the account and vouchers returned to him by the bank, the loss will fall upon him.

The agent of the depositor made the deposits and had the custody of the pass book, and when it was balanced delivered it only with the genuine checks, which were not numerous. The only verification made was to compare such checks with the stubs. If the depositors had inquired of their agent for typewritten check lists, stated in the book to have been returned, forgeries by him against the account would have been discovered. If they had looked at the book, they would have seen that the credit balance did not tally with that disclosed by the checks and stubs, and if a computation had been made, it would have disclosed that a proper amount of interest had not been credited, as shown by their ledger book kept by the agent. *Held,* that the depositors did not exercise reasonable care in inspecting the account, and were guilty of gross negligence in failing to avail themselves of the evidence furnished by the bank to discover the forgery.

A bank account was large and had run for a long time. An agent of the depositors, who was forging the checks against it, was actively in charge thereof. To transfer a part of their deposit to another bank, his principals issued on January 5th a check overdrawing the account about $13,000, and delivering it to their agent to make the transfer. He delayed depositing it, and on the day it reached the bank through the clearing house he went to the bank and stated the account would be overdrawn that day, but would be made good before the bank closed. Later in the afternoon a check to the bank's order on another bank bearing date January 10, the following day, was issued by the depositors for $14,000, and was deposited by the agent after he had changed its date to the 9th. It was subsequently paid, though close inspection might possibly have discovered the change. The checks forged by the agent were not numbered, and were of a different color from the genuine, but in balancing the account twice prior to the overdraft and the deposit of the altered check, forged checks had been delivered by the bank to the depositors' agent with adequate evidence to detect his fraud, and no suggestion of irregularity had been made. *Held,* that the bank could not be charged with negligence.

SPRING, *J.:* The plaintiffs, as trustees of certain trusts created by the will of David P. Morgan, deceased, kept an account of considerable magnitude with the defendant, commencing in March, 1903. The plaintiff Kissell was the more active trustee, and the business of the estate with the defendant was largely conducted by one Hennessey, a trusted employee of the plaintiffs. Hennessey had been for

some time in the employ of Kissell on a farm in Morristown, N. J., where the latter resided; and shortly before the deposit was first made in the defendant bank Kissell transferred him to the office in New York, committing to him the charge of the books of this estate. The plaintiffs had unlimited confidence in the integrity of Hennessey, and apparently gave very little inspection or oversight to the work with the performance of which he was charged. Certainly, they never attempted any examination for the purpose of testing the accuracy of the accounts which he kept or the honesty of his transactions with the defendant. The account with the defendant was interest bearing, and yet subject to check. In July, 1905, it was discovered that Hennessey had been depleting the account by forged checks purporting to be signed by the defendant Morgan, as trustee. These inroads on the account aggregated $34,671.84, which the defendant refused to pay. Hennessey commenced uttering the forged checks May 18, 1904, and from that time until June 22, 1905, 28 of these checks were presented to the defendant and charged against the plaintiffs' account. The deposits in the bank were made by Hennessey for the plaintiffs. He had the custody of their pass book, and it was first written up after the forgeries began August 11, 1904, or to that date, and the canceled checks with the book and check list were delivered over to Hennessey, and he receipted for the vouchers and gave the pass book and genuine checks to the plaintiff Kissell. At that time three forged checks had been paid, aggregating in amount $2,092, and on the 12th of August there was another one of $981.33 honored, making at that time $3,073.33, and the defendant conceded its liability to that extent. After this the pass book was balanced in October, 1904, and in January, April, and June, 1905, and the same method was adopted of delivering over the pass book, the typewritten list, and canceled vouchers to Hennessey, taking his receipt therefor. The genuine checks during this period were numbered consecutively from 24 to 89, inclusive. They were of two colors. They bore the rubber stamp of the estate, and were signed by one of the trustees. Hennessey forged the name of the trustee Morgan to the checks which he used, and impressed the name of the estate on them with the rubber stamp to which he always had access. The bank did not itemize the checks on the pass book, but entered the total amount with the explanatory statement "Less cks ret'd per list," giving to Hennessey a separate typewritten list of all these checks. Hennessey removed from the package the forged checks and the typewritten list, delivering to Kissell simply the pass book and the genuine checks. The only verification made by Kissell was to compare the checks delivered to him with the stubs, and, of course, they corresponded. Kissell was an experienced business man. He kept a personal account with the defendant during this time, and knew the methods adopted by it. The failure to return the check list apparently did not attract his attention. He did not call for it or even compare the total of the sums represented by the checks and stubs with the balance to the credit of the trustees on the pass book. The defendant had furnished abundant evidence to enable the accuracy of the account to be tested, but the trustees failed to avail themselves of it.

In the first place, if they had looked at the pass book they would have observed that the credit balance did not tally with that disclosed by the checks and stubs. In the second place, if they had inquired of their agent for the typewritten list of entries the forgeries would have been discovered. Again, it is to be noted that this was an interest bearing account, part of the time at two per cent. and part of the time at three per cent. Any computation made would have disclosed that the proper amount of interest was not in fact credited. Hennessey had charge of the ledger book of the plaintiffs, and apparently credited the interest items as

if there had been no improper depletion of the account. The proof shows that the checks which were forged were not numbered and of different color from the genuine ones, although the latter were of two different colors; but the forged checks with the genuine ones were returned in August and October to the agent of the plaintiffs, and no suggestion was made of any irregularity. The defendant had a right to assume from the course of dealing adopted that the whole account was satisfactory to the plaintiffs, and that the checks of different color were genuine as well as the others. It does not seem to me that the plaintiffs exercised reasonable care in inspecting this account. They were trustees and were called upon to be vigilant and active in taking charge of the trust estate committed to them. Until the first balancing of the account in August the plaintiffs had no evidence which would have enabled them to discover the forgeries. The defendant, therefore, conceded its liability for the three forged checks honored before that date, and also for one accepted on August 12th for the same reason, as the pass book was not actually delivered to Hennessey until the 16th. On the 24th another forged check was honored by the bank.

The court charged the jury that the plaintiffs were required to make a reasonable examination of the bankbook, and that such an examination would have revealed the discrepancies in the deposit account, and he allowed them to determine whether negligence could be attributed to the plaintiffs for failing to discover the shortage before the issuance of the forged check of $480 August 24. We think the court was correct in this instruction, and the jury having found with the plaintiffs on that proposition, the sum of $480, with interest, should also be added to the sum confessedly chargeable to the defendant. Whatever examination Kissell made after the pass book was balanced and returned with the vouchers in August was made before Sept. 10, and such examination was so incomplete that the fraud was not discovered, and the plaintiffs are chargeable with negligence as matter of law for their remissness.

There is another more important and also more difficult proposition. On the 5th of January, 1905, the plaintiffs issued their check against this account for over $14,000 for the purpose of transferring it to a bank in Morristown, N. J., and delivered it to Hennessey to have the account transferred. This was on Thursday. Hennessey did not deposit the check on that day, and on the next day he was asked about it by one of the trustees, and made some excuse, but deposited it on Friday. On Saturday it went through the clearing house, and did not reach the defendant until about noon of Monday, the 9th, as I think the evidence fairly discloses. That check would overdraw the account about $13,000. On Monday morning Hennessey went to the bank, stating that the account would be overdrawn that day, but that it would be made good before the bank closed for the day. Later in the afternoon one of the plaintiffs executed his check to the defendant's order on another bank, bearing date the 10th, for over $14,000, and which was to be deposited with the defendant. Hennessey changed the date of this check to the 9th leaving it at the bank that afternoon and the plaintiffs were credited for it, which made the account good. The check was subsequently paid by the bank on which it was drawn. While a close inspection might possibly have discovered the change in this date, I do not think the defendant is to be charged with negligence either for not discovering it or for assuming that it was fraudulently made even if discovered. A change in the date of a check is not so infrequent as to call for investigation or create suspicion by an officer of a bank. It does not seem to me that the fact the payment of the check of January 5th might have resulted in causing an overdraft is sufficient to establish negligence on the part of the defendant. As already suggested, the account was a

large one. It had been running for some time. Hennessey had been the active man in attending to it, and he came promptly on Monday stating frankly that an overdraft might occur, but advising the bank that it would be adjusted during the day.

It is a circumstance also in favor of the defendant that the check on which the date was altered was not against the account of the trustees with the defendant. It was merely the payee, and the check was paid by the drawee. If any criticism had been made at all by the officers of the defendant on account of this possible overdraft, very naturally it would have been made to Hennessey, for he was representing the plaintiffs. There was no need of making any statement to him, for he already knew it, and agreed to make it good that day, which was done. This conduct on his part, instead of exciting suspicion, would be quite likely to confirm in the minds of the officers of the defendant that he was the trusted responsible representative of the plaintiffs, and that the account was honestly overdrawn.

In commenting upon this phase of the case the court prefaced his remarks to the jury with the statement that the plaintiffs were chargeable with negligence in failing to make an examination which would have disclosed the condition of the account prior to January. The only question submitted to the jury as to this alleged overdraft and its connecting circumstances was whether the defendant was guilty of negligence, and the jury must have so found. At the outset, therefore, in the consideration of this branch of the case, we start with the negligence of the plaintiffs established as matter of law. In other words, by the exercise of ordinary prudence they should have discovered the fraud of their agent long prior to the transaction in January. Banks are held to a strict liability in the payment of forged checks. (Shipman vs. The Bank of the State of New York, 126 N. Y. 318, 27 N. E. 371, 12 L. R. A. 791, 22 Am. St. Rep. 821; The C. N. Bank vs. I. & T. Bank, 119 N. Y. 195, 23 N. E. 540.) Where, however, the drawer of a check has been guilty of negligence, the bank is ordinarily relieved. Cases cited. In the present case the defendant is not liable at all for receiving for collection the altered check in January unless negligence can be imputed to it as to that particular transaction.

The court allowed the jury to found its verdict ascribing negligence to the defendant on four circumstances, to wit: the fact that the forged checks were not numbered; that in color they did not correspond with the genuine checks; the change in the date of the check of January 10th; and the overdraft. I do not think that these circumstances taken together, in view of the method in which the account was carried along, were sufficient to excite suspicion as to the genuineness of the checks. None of these circumstances are unusual in the banking business. There is no uniformity in the color of checks. The check on which the date was altered was on another bank, and certainly the officer of the defendant who accepted it could not be expected to know just the shade of the checks used by that bank, especially when those of varying colors were in common use. It is also to be remembered that the check on which the date was changed and the one of January 5th transferring the account to the New Jersey bank were both genuine, and the latter was numbered in proper sequence and corresponded in color with those theretofore drawn by Kissell. The fact that the forged checks were not numbered or varied in color from the genuine could not have been in the mind of the bank officers in honoring the altered check properly signed. Again, none of the forged checks had been numbered, and all had been of different color from those signed by the trustees. The defendant had twice before, in August and October, delivered over these unnumbered forged checks to the agent of the defendant with adequate evidence to detect any fraud, and no suggestion had been made even of any irregularity

in the account. It therefore had a right to assume that the balances were acceptable to the plaintiffs.

The plaintiffs' account with the defendant was a large one, yet there was much variation in the balances. There were deposits elsewhere, and the defendant's officers had reason to believe the estate was a large one. The dealings with the defendant warranted that belief. Where a large overdraft exists against a small depositor it might give rise to suspicion that something was wrong. A like overdraft in the account of a large depositor, if unnoted by him, should also attract attention. If, however, such a depositor who had long been a continuous and important customer of the bank should advise its officers early in the day that an account would be overdrawn during the day, but would be made good before the close of banking hours, and that promise is kept, there is nothing so extraordinary as to arouse distrust. The moment it is apprised of the expected overdraft, accompanied with the statement that the overdraft will not go into the day's statement, for it will be arranged, the officers are not called upon forthwith to believe there has been crooked work. In the ordinary course of business, where a check is transmitted from one bank to that of the depositor and drawer which will overdraw his account, the check will not be protested until after the close of the bank for the day. The casting up will then disclose whether the check will be honored. There is no necessity of attending to this while the active work of the bank with its customers is in progress, for no remittance will be made during that time. In fact, there was no overdraft, for when the balances were struck at the close of the day's business the account was good. If Kissell had appeared personally, and made the same statement that was made by Hennessey, no suspicion would have been aroused. Hennessey was the man who did the active work on behalf of the plaintiffs with the bank. He represented them. They stood sponsor for him, and his acts in the line of his employment were those of the plaintiffs. He was their *alter ego*. I think as matter of law these facts establish quite clearly that no negligence can be charged to the defendant for the transaction on January 9th.

The plaintiffs have appealed from the judgment alleging that the court erred in holding the plaintiffs were chargeable with negligence in failing to discover the condition of their account with the defendant commencing with the forged check of September 10th. The trial court in commenting to the jury upon the conduct of the plaintiffs used this expressive language:

"As a matter of law they were bound before the 10th day of September to have made this examination, and were bound as a matter of law to have discovered the trouble which existed with regard to their bank account. So that, as a matter of law, from that time on the plaintiffs must be held guilty of negligence. There is no escape from it. They were bound to have made the examination. They were bound to have discovered the facts prior to the 10th day of September, and as they were guilty of negligence, and as, concededly, assuming they were guilty of negligence, their negligence caused the payment of these various later checks; as, concededly, if they had notified the bank that forgery was going on, the opportunity for forgery would have ceased; as concededly, therefore, the bank was damaged by their negligence in as far as it paid these later checks, and to the amount of these later checks there can be no recovery here on the part of the plaintiff, notwithstanding that these checks were forged, unless the defendant itself was guilty of contributory negligence."

No question of the contributory negligence of the defendant after September 10th was submitted to the jury, except as to the transaction of January 9th, already discussed. I think the court was correct in this instruction to the jury.

From beginning to end, it seems to me, that the fault in this whole transac-

tion lies at the door of the plaintiffs themselves. Hennessey was their agent. Kissell, the trustee, was an experienced business man, familiar with the system of the defendant in dealing with its depositors. He knew that the items of the credits were not entered in the check book, but were returned on a separate slip of paper. During all this time he never saw or asked for any of these slips. The notation in the pass book that the checks were returned "per slip" was equivalent to itemizing them in the book itself, for the plaintiffs were aware of this course of dealing. He never compared the amount of money which the check book by computation would show in the bank to the credit of the estate with that stated in the pass book. A mere glance—the slightest inspection—would have disclosed the discrepancy. The list of checks which were issued during this time was not large. It required no great effort to make the examination, and yet these trustees, it seems to me, exhibited gross carelessness. If they were taking charge of this large trust fund with any degree of diligence we would expect them to call for the check list, look over the pass book, putting forth some effort to verify the correctness of the account. They knew that the defendant had furnished ample evidence to discover any forgery, and they did not avail themselves of it. I think the plaintiffs were guilty of gross negligence.

The learned counsel for the plaintiffs relies upon the case of Critten vs. Chemical Nat. Bank, 171 N. Y. 219, 63 N. E. 969, 57 L. R. A. 529, the facts of which are materially different from those of the present case. The court, however, in that case, after an elaborate discussion of the authorities, stated that it was the duty of a depositor to exercise reasonable care in verifying the vouchers returned to him by the bank. The court say at page 227 of 171 N. Y., page 972 of 63 N. E. (57 L. R. A. 529):

"The practice of taking checks from check books and entering on the stubs left in the book the date, amount and name of the payee of the check issued has become general, not only with large commercial houses, but with almost all classes of depositors in banks. The skill of the criminal has kept pace with the advance in honest arts, and a forgery may be made so skillfully as to deceive not only the bank but the drawer of the check as to the genuineness of his own signature. But when a depositor has in his possession a record of the checks he has given, with dates, payees and amounts, a comparison of the returned checks with that record will necessarily expose forgeries or alterations. * * * Considering that the only certain test of the genuineness of the paid check may be the record made by the depositor of the checks he has issued, it is not too much, in justice and fairness to the bank, to require him, when he has such a record, to exercise reasonable care to verify the vouchers by that record. * * * If the depositor has by his negligence in failing to detect forgeries in his checks and give notice thereof caused loss to his bank, either by enabling the forger to repeat his fraud or by depriving the bank of an opportunity to obtain restitution, he should be responsible for the damage caused by his default, but beyond this his liability should not extend."

Of like import are Leather Manf's Bank vs. Morgan, 117 U. S. 96, 6 Sup. Ct. 657, 29 L. Ed. 811; and Myers vs. Southwestern Nat. Bank, 193 Pa. 1, 44 Atl. 280, 74 Am. St. Rep. 672.

The amount which the jury were allowed to find against the defendant dependent upon its alleged contributory negligence in the transaction of January 9th, and including the subsequent forged checks, which it charged to the account of the plaintiff, was $19,534, and that sum should be deducted from the judgment.

The judgment should be reversed, and a new trial ordered, with costs to the defendant to abide the event, unless the plaintiffs stipulate to reduce the verdict as of the date of recovery

of $3,553.33, with interest thereon from July 17, 1905; in which event the judgment as modified should be affirmed, without costs of this appeal to either party. So ordered. All concur, except McLennan, P.J., and Robson, J., who dissent, in an opinion by the latter.

ALTERATION OF CHECK — CARELESSNESS OF DRAWER IN LEAVING BLANK SPACES.

RACHEL TIMBLE vs. GARFIELD NATIONAL BANK.

SUPREME COURT OF NEW YORK, FIRST DEPARTMENT, NOV. 8, 1907.

Where the drawer in filling in the amount of a check leaves blank spaces so as to invite an alteration, and the amount is raised, the drawee bank may depend upon the ground that the drawer was negligent in drawing the check in that way.

A wife signed a check which she allowed her husband to fill out in such a way as to leave a space before the written amount and between the dollar mark and the figures, which could be filled in without exciting suspicion. The husband afterwards raised the check by filling in such blank spaces, and collected the money thereon from the drawee bank: *Held,* that the question whether the wife was negligent in so drawing the check should be submitted to the jury.

THIS was an appeal by the defendant, the Garfield National Bank, from a judgment in favor of the plaintiff.

HOUGHTON, *J.:* The plaintiff, introduced by her husband, who was a customer of defendant, on the 23d day of June, 1903, deposited in the defendant's bank the sum of $5,000. On the seventeenth day of July following the husband presented a check of plaintiff, the body of which was all in his handwriting, payable to his own order, for $4,900, which amount was paid to him thereon. The plaintiff admits that the signature to the check was that of herself, but asserts that the check was drawn for only $900, and that it had been altered and that the defendant wrongfully paid the full amount and still owes her $4,000.

The check was an ordinary printed form and the words "Nine hundred" were written in the middle of the blank left for that purpose, leaving a space in front of them sufficient to write the word "Forty" without exciting suspicion, and there was also a space between the dollar mark and the figures "900" sufficient to insert the figure "4," all of which plaintiff observed when she signed her name to it. When presented to the defendant the check appeared to have been drawn for $4,900, both from the writing in it and the figures upon it. When plaintiff signed the check it contained no date, and she called her husband's attention to that fact and he afterwards inserted it. Upon the check being presented for payment by the husband the defendant took the precaution of comparing the signature of plaintiff with her signature in defendant's book and it was found to be genuine.

Four days after the check had been cashed, the plaintiff's husband disappeared and the plaintiff went to defendant's banking house and claims then to have learned for the first time that the check called for $4,900, instead of the $900 which she claimed to have drawn it for.

Her position is that the defendant wrongfully paid out the $4,000 upon a check raised by that amount, and hence that it still owes her that sum. The defendant's position is that the plaintiff was so negligent in drawing the check by leaving spaces which could be filled in without exciting suspicion, that her own carelessness invited what actually happened, and that she must suffer the consequences by bearing the loss herself.

On the trial the court directed a verdict in plaintiff's favor denying the request of the defendant to go to the jury upon the question of fact as to plaintiff's negligence, as well as the question whether upon the whole evidence plaintiff had not authorized her husband to draw the check for the full sum of $4,900.

We think the court erred and that

the questions should have been submitted to the jury.

A banker is presumed to know the signature of his depositor, and if he pays a forged check he cannot charge the amount to his account. If a check plainly appears to have been altered the banker is put on inquiry as to the correctness of the alteration and he pays it at his own peril. Where, however, the alteration is such as to excite no suspicion because the check has been drawn by the maker in such a way as to invite an unsuspicious alteration, the law makes an exception to the rule that a banker pays at his own peril and permits him to assert negligence on the part of the maker in so drawing his check.

The text books are quite unanimous in asserting that where a drawer of a check has prepared his check so negligently that it can be easily altered without giving the instrument a suspicious appearance and alterations are afterwards made, he can blame no one but himself, and that in such case he cannot hold the bank liable for the consequences of his own negligence in that respect. (5 Cyc. 544; Dan. Neg. Inst. [5th ed.], § 1659; Morse Banks & Banking [4th ed.], § 480; Zane Banks & Banking, § 154; Story Prom. Notes [7th ed.], 675; Byles on Bills [16th ed.], 25.)

The earliest authority in which this principle was applied is Young vs. Grote (4 Bing. 253) where the decision of an arbitrator relieving the banker from liability upon a check drawn almost precisely in the manner of the one at bar was affirmed on the ground that the banker had been misled by want of proper caution on the part of his customer. That case has been much commented upon, and it is urged that its authority is greatly weakened by such criticisms. These criticisms are pointed out in Greenfield Savings Bank vs. Stowell (123 Mass. 196) where it was held that in any event the principle did not apply to a note because the maker of a promissory note held no such relation to the indorsees as does a depositor to his banker. On the other hand, the Pennsylvania and Illinois courts apply the principle to negligently drawn notes as well as to checks. (Gerard vs. Haddan, 67 Penn. St. 82; Leas vs. Walls, 101 id. 57; Harvey vs. Smith, 55 Ill. 224.)

While Young vs. Grote has not been expressly approved by our courts, the principle upon which it was decided has been recognized in Crawford vs. West Side Bank (100 N. Y. 50) and in Critten vs. Chemical National Bank (171 id. 219). In the former of these cases, Ruger, *Ch. J.*, says: "The question of negligence cannot arise unless the depositor has, in drawing his check, left blanks unfilled, or by some affirmative act of negligence has facilitated the commission of a fraud by those into whose hands the check may come." In the latter case, Cullen, *J.*, says: "Now, while the drawer of a check may be liable where he draws the instrument in such an incomplete state as to facilitate or invite fraudulent alterations, it is not the law that he is bound so to prepare the check that nobody else can successfully tamper with it."

The facts disclosed by the record peculiarly call for the application of the rule which we think sound upon principle as well as authority. The plaintiff intrusted the filling in of the check to her husband. The amount which she claims to have assented to as well as the alterations were all in his handwriting, and there was nothing to excite suspicion. It was payable to his order, and she saw the form in which it was written, and later explained it to the bank officials. There is a pretended claim on her part that she could neither read nor write, but the facts and her own admission show this was untrue.

The defendant does not claim that in leaving spaces upon her check which could be filled in by her husband without exciting suspicion, the plaintiff was guilty of negligence as matter of law. What it does claim, and what it contended on the trial was, that it was a question of fact to be determined by

the jury, from all the circumstances, whether or not she was negligent, and that if the jury found she was then that the defendant should be relieved from repaying the amount to her. In this contention we think the defendant was correct.

We are also of the opinion that there were sufficient suspicious circumstances connected with the transaction to make it a question of fact for the jury as to whether or not the plaintiff did not, in fact, authorize the drawing of the check for the full amount which it called for.

The direction of a verdict in favor of the plaintiff was error, and the judgment and order must be reversed and a new trial granted, with costs to the appellant to abide the event.

PATTERSON, *P. J.*, LAUGHLIN, SCOTT and LAMBERT, *JJ.*, concurred.

Judgment and order reversed, new trial ordered, costs to appellant to abide event.

CREDIT GIVEN CORRESPONDENT TO DECEIVE BANK EXAMINER—EFFECT OF AGREEMENT WHERE CORRESPONDENT NOT TO DRAW AGAINST.

GEORGE C. RANKIN, Receiver of the Capitol National Bank of Guthrie, vs. CITY NATIONAL BANK OF KANSAS CITY.

SUPREME COURT OF THE UNITED STATES
FEBRUARY 24, 1908.

A, the president of Bank B, sent his individual demand note to Bank C, the correspondent of Bank B, with the request that it be discounted and the proceeds placed as a special deposit to the credit of B, but with the understanding that the fund should not be subject to check, but should remain with C for the payment of the note. Upon the failure of B, held, in an action by the receiver of B that this arrangement did not create any indebtedness from C to B.

IN error to the United States Circuit Court of Appeals for the Eighth Circuit to review a judgment which affirmed a judgment of the Circuit Court for the Western Division of the Western District of Missouri.

This suit was brought by the receiver of the Capitol National Bank of Guthrie, Oklahoma Territory, to recover the amount of an alleged deposit in the City National Bank of Kansas City, Missouri. At a trial without a jury in the Circuit Court the facts were found and judgment was given for the defendant, which judgment was affirmed by the Circuit Court of Appeals. (75 C. C. A. 343, 144 Fed. 587.)

The bank examiner had complained of excessive loans by the Guthrie bank and especially of three notes for $10,000 each, made, respectively, by the Missouri, Kansas & Oklahoma Company, the Wild West Show Company, and the Western Horse Show Company, and had directed them to be reduced. Thereupon one Billingsley, its president, who managed its business with the defendant, wrote to the defendant's cashier, saying: "I want you to take my note of $30,000.00 and Cr. my Bank with like amount in a special account, with the understanding that said account is not to be checked against. My reason for wanting this is that I have that amount of excessive loans that the Department is kicking about. . . . You will not be out any money and loan and deposit will offset each other on your books." The proposal was accepted, Billingsley sent his note, and wrote saying that he had given the Guthrie bank his check on the City bank for the amount, adding: "And it is agreed that said [Guthrie bank] is to keep this 30 Th with you until note is retired, together with as large a balance as possible. . . . Chas. E. Billingsley, Pres't."

Billingsley gave the above-mentioned check to the Guthrie bank, which credited it to his personal account, in which the bank's money was kept. The same day he gave to the bank a check against his personal account for the same sum, which was charged to that account and credited to bills receivable, and thereupon the three notes objected to by the

bank examiner were taken out of the bank's assets and possession.

HOLMES, *J.:* It was argued from several circumstances not necessary to mention that they were paid by Billingsley, but that fact is not found. Billingsley does not seem to have been personally liable upon them, and all that can be said is that the scheme to get them off the books was carried out. The cashier of the City bank was away when the letter with Billingsley's note arrived, and there were telegrams; after which the City bank, on September 10 or 11, 1903, charged the note to bills receivable, the check to Billingsley, and credited the Guthrie bank with $30,000 on general account. On September 14 the cashier, having returned, transferred $30,000 to a special account, according to the plan. Billingsley was notified and all transactions in this matter thereafter were entered by the City bank on this special account.

On November 9, 1903, Billingsley's note falling due, the account was charged with the amount and interest. The same day a letter from Billingsley was received, asking an extension. The cashier replied that they had charged his account with the note, but would renew it on satisfactory collateral, and returned the note. Billingsley answered, inclosing a note for $30,000, and requesting that the former arrangement be continued. In answer to this the president of the City bank wrote that they preferred a demand note, and that to satisfy the Comptroller they would rather that it should be for $25,000 instead of $30,000. On November 30, 1903, Billingsley inclosed his note for $25,000 in a letter to the president, requesting that the proceeds be placed as a special deposit to the credit of the bank, and repeating the old agreement: "It being expressly understood and agreed that this fund is not subject to check, but is to remain with the City National Bank for the payment of the note, and you are hereby authorized to charge this note to said account at any time you desire." Originally the note was signed "Chas E. Billingsley Pt.," and the letter with his name, without addition. On December 12 the president of the City bank wrote that the note should be signed individually and the letter as president, and inclosed the letter for the change. Billingsley admitted the mistake, added "Prest." to his signature, and returned the letter, at the same time authorizing the City bank to strike off the "Pt." from the signature on the note, which was done.

On November 30, 1903, in order to make the balance of the City bank account on the books of the Guthrie bank correspond with the books of the City bank, Billingsley gave the teller of the Guthrie bank his check upon it in favor of the City bank for $5,000, which was stamped paid, and the amount credited to the City bank on the books of the Guthrie bank. On December 7 the City bank credited the Guthrie bank with $25,000 on the special account. It credited two per cent. interest at the end of each month while the account was open, and there was a small deduction as the result of the first stage for interest on the $30,000 note, so that on April 4, 1904, the special credit to the Guthrie bank was $24,994.54. On that day the City bank, having no knowledge that the Guthrie bank was in a failing condition, charged the note to the account, returned the same duly canceled, and closed the account. Later on the same day the Guthrie bank failed and went into the hands of a receiver. The receiver notified the City bank that the note was not a liability of the Guthrie bank and that the City bank would be held.

There are few other facts needing mention. Statements of account were made monthly by the banks to each other up to February 1, 1904, and after that daily reconcilements were made. The statements of the City bank showed the special or No. 2 account as well as the general one, and these were entered in the Guthrie bank reconcilement book as No. 1 and No. 2. The Guthrie bank also recognized the existence of the special account in correc-

tions sent to the City bank. But the whole amount appeared in its general account. It should be added that the Guthrie bank was in the habit of borrowing money by issuing notes and crediting the proceeds to Billingsley's personal account, the notes being paid by Billingsley's checks. Billingsley also entered his personal deposits and drew his personal checks upon the same account. It should be added further that in the Circuit Court both counsel agreed that it was not contended that the contract was illegal because it enabled a false showing to be made of the condition of the Guthrie bank.

The plaintiff, the receiver of the Guthrie bank, argues that the foregoing transaction was really a loan to Billingsley, with an attempted pledge of a deposit of the Guthrie bank in the City bank, and is shown to have been so by the facts that he gave his personal note, that he gave his check on the City bank for the amount to the Guthrie bank, and that, by means of another corresponding check, the three notes objected to by the bank examiner were taken out of its assets and possession. It is added that Billingsley was interested in two at least of these notes, as he was vice-president of the companies that made them, and that the entries on the books and other facts show that they were paid. But, as we have said, neither legal interest on Billingsley's part nor payment is found, and we cannot find those facts here. Generes vs. Campbell, 11 Wall. 193, 20 L. ed. 110. Leaving them on one side, the argument for the plaintiff stands mainly on the technicality that Billingsley, instead of merely writing the letter in which the agreement was embodied, and having the credit on special account issued without more to the Guthrie bank, gave his check on the City bank as the means of getting the credit on to the Guthrie bank's books. We will deal with these arguments in our own order and way.

This suit, it will be remembered, is to recover an alleged deposit, and the first thing to notice is that the whole business, from beginning to end, was and was intended to be, a mere juggle with books and paper to deceive the bank examiner. The City bank never received anything from the Guthrie bank, the Guthrie bank never parted with anything to the City bank, or with anything for the loss of which the City bank is responsible, if it parted with anything at all. It would stretch the findings to say that the Guthrie bank does not still own the three notes. But, if it does not, the City bank had nothing to do with its giving them up. The supposed surrender was not a consideration to the City bank, and, so far as appears, never was known by it to have taken place. It was a transaction wholly between Billingsley and his own bank. So far as the surrender of the notes goes, the parties stand exactly as if that had taken place without a check, in consideration of Billingsley making the note on which the credit was given to the Guthrie bank. It is said that the Guthrie bank got the money, but did not get the benefit of the loan. As between the banks, no one got any money; and the only benefit of the loan in fact or contemplation was a swindle upon the bank examiner. If the City bank should be held, it would be held without ever having received a *quid pro quo* except in the most narrowly technical sense. The consideration would be the delivery of Billingsley's note by the Guthrie bank.

Again, the alleged deposit was a parol contract made by the letters of which we have given extracts. There is no other contract but the one so made. But, by those letters, the City bank did not promise to hold $30,000, or, at the later stage, $25,000, to the credit of the Guthrie bank, out and out. On the contrary, it merely agreed to credit these sums against the notes which it held, on the express condition that no checks should be drawn against them, and that, when the first note matured, or, after the second, whenever the bank pleased, the notes should be charged against the account and extinguish it. We perceive no sufficient

ground for substituting a fiction for the only promise the City bank ever really made. If the Guthrie bank had sued while it was a going concern, it could not have recovered, and the receiver stands no better than the bank.

This promise, however, the City bank made to the Guthrie bank at the first step of the transaction, and not to Billingsley. The plan was proposed as a plan for the help of the Guthrie bank. It provided from the start for a credit to the Guthrie bank. At the moment when the agreement was reached and Billingsley sent his note, he signed a promise as president, embodying the terms. He corrected the letter with his second note to an official promise in like form. This meant a promise by the Guthrie bank, and shows that the Guthrie bank, not Billingsley, was the other party to the bargain. It is true that Billingsley's personal obligation was given to the City bank, but the only reasonable interpretation is that he lent his credit to the bank, of which he was the leading spirit, to help it to perpetrate its fraud. It seems to us too plain for further argument that the contract concerning the credit was made between the banks at the beginning and governs all that happened later.

The only material thing that happened was Billingsley's drawing his check on the City bank for the amount of the loan and depositing it to his credit in his own Guthrie bank. Even if this, as in other cases, was regarded as a deposit of the bank's money, still it was not quite logically consistent with his contract that Billingsley should make his check upon the City bank for money which it had agreed with the Guthrie bank to credit to it. But the check was only a documentary form to justify the entry of a deposit. To the City bank it was immaterial, as the result no less was the credit to the Guthrie bank upon the special account and subject to the terms to which both parties had agreed. The subsequent check on the Guthrie bank to the Guthrie bank was another documentary form to give a plausible justification for getting the three notes out of the assets. But with that, as we have said, the City bank had nothing to do.

In view of the statement of counsel, at the argument, to the circuit judge, that they did not contend that the contract was illegal, a disclaimer repeated to us, and in view of the possibility that the facts were found as they were with that agreement in view, we shall not consider that aspect of the case. It would not help the plaintiff. (McMullen vs. Hoffman, 174 U. S. 639, 43 L. ed. 1117, 19 Sup. Ct. Rep. 839.) We are of opinion upon the facts that we have set forth that the courts below were right. Judgment affirmed.

Mr. Justice White and Mr. Justice McKenna dissented.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B.A., LL.B., Barrister, Toronto.]

ESTOPPEL—FAILURE TO DEFEND ACTION ON PRIOR NOTE FORGED BY SAME PERSON—FORGERY.

SIMON VS. SINCLAIR (17 Man. R. p. 389).

HEAD NOTE: A person whose indorsement on a promissory note has been forged is not estopped from denying his signature by the fact that he had allowed judgment to go against him by default in a previous action by the same plaintiff on an indorsement of his name on a prior promissory note forged by the same person, although the forger negotiated the second note after such judgment.

STATEMENT OF FACTS: The plaintiff held a promissory note purporting to be indorsed by the defendant James Omand. The indorsement was forged. The plaintiff sued the parties to the note. Omand, who knew nothing of the note until sued, took the statement of claim to a solicitor. No defence was entered for him, and the plaintiff got judgment against him

by default. That judgment was afterwards opened up and Omand let in to defend the action. After getting that judgment, and before he knew of Omand's intention to apply to be allowed to defend the action, the plaintiff, as a separate transaction, took another note from the party from whom he had got the first one. The new note also purported to be indorsed by Omand, but that indorsement had been forged by whoever had forged the indorsement to the first note. This action was brought on the second note.

At the trial a verdict was entered for defendant Omand and plaintiff appealed.

JUDGMENT (HOWELL, *C.J.A.*, RICHARDS and PHIPPEN, *J.J.A.*): The Court thought that the only ground on which the appeal could be considered at all was that Omand was estopped from denying the genuineness of the endorsement by allowing the judgment to go against him on the first note. The plaintiff alleged that a duty was cast on Omand to tell the plaintiff that the first endorsement was forged so that the plaintiff might be warned against other similar forgeries and that not having done so he was estopped. The leading case is that of Morris vs. Bethel L. R. 5 C. P. 47. There the defendant's brother had forged the defendant's signature to a Bill of Exchange, and the defendant, though knowing that the alleged signature was forged, paid the bill without disclosing the fact of the forgery. Afterwards the brother forged the defendant's name to another bill and negotiated the instrument with the person who had held the first bill when it matured. It was held in an action on the second bill, that there had been no duty upon the defendant to tell that the first one was forged.

The Court considered the effect of that decision to be that the mere fact that a person learns that his name has been forged to a bill does not, in itself, place on him a duty to tell of the forgery, in order to protect himself against liability in respect of subsequent possible forgeries, which he has no special reason to anticipate.

In this case Omand did nothing. The act complained of was one of omission, not of commission. The utmost that can be suggested is that Omand was negligent in not assuming that there might be subsequent similar forgeries, and in not warning the plaintiff by telling him of the first one. If, therefore, there were any estoppel in this case, it would be one arising from negligence only. But it was held in Arnold vs. The Chaque Bank, that mere negligence, to amount to an estoppel, must occur in the transaction in question.

There is no claim that, in the present case, there was any negligence with regard to the second note, the one now sued on.

It was further held that the question of the defendant's liability must depend upon the finding of fact whether having regard to his position in life the defendant from the facts within his knowledge should reasonably have anticipated the subsequent forgery as a result of the course he followed. The facts showed that the defendant had notice of only a single instance of forgery with nothing to connect it with any series of contemplated frauds. The very fact that the forged note was not sued when the defendant first learned of the forgery made it unlikely that the plaintiff would give further credit on similar paper. The evidence discloses no fact imposing a duty on the defendant to anticipate and notify the plaintiff against the subsequent fraud.

BILLS AND NOTES—INSTALMENTS OF INTEREST—TRANSFER AFTER DEFAULT TO PAY INTEREST—"OVERDUE" BILL—NOTICE—HOLDER IN GOOD FAITH—BILLS OF EXCHANGE ACT—COMMON LAW RULE.

UNION INVESTMENT COMPANY VS. WELLS

(39 S. C. R. p. 625)

HEAD NOTE: Where interest is made payable perodically during the currency of

a promissory note, payable at a certain time after date, the note does not become overdue within the meaning of sections 56 and 70 of the "Bills of Exchange Act," merely by default in the payment of an instalment of such interest.

The doctrine of constructive notice is not applicable to bills and notes transferred for value.

Judgment appealed from reversed, Idlington and Maclennan J. J. dissenting.

STATEMENT OF FACTS: The facts of this case will appear sufficiently from the extracts from the judgment of Mr. Justice Duff by whom the judgment of the majority of the Court was delivered. The appeal was heard by Sir Charles Fitzpatrick C. J., and Davies, Idlington, Maclennan and Duff, J.J.

JUDGMENT: The substantial question which this appeal presents for decision is whether or not the promissory note upon which the action was brought was, at the time it was transferred to the appellants, who were the plaintiffs in the action, an overdue note within the meaning of sections 56 and 70 of the "Bills of Exchange Act."

The note in question was dated March 5, 1903, and by it the respondents, who were the defendants in the action, promised to pay to McLaughlin Bros., or order, at the Canadian Bank of Commerce, Gilbert Plains, Man., on March 1, 1905, the sum of $875 with interest annually at six per cent. After the first of the periodical payments of interest, thus provided for, had fallen due, the note was transferred to the appellants. There is no evidence that it was presented for the payment of this sum, which in fact was never paid.

The learned trial judge held that the respondent's signature to the instrument was obtained through the fraud of the payee, and I see no sufficient reason to disturb this finding. I think, however, that the plaintiffs, who acquired the note for value in the usual course of business, have satisfied the onus upon them to show that in taking it they acted in good faith.

To come then to the question whether this note, in the circumstances, was an overdue note, within the meaning of the "Bills of Exchange Act," when it came into the hands of the appellants.

The literal truth is, of course, that a single payment of interest reserved by the note was overdue, while in respect of the principal and the remaining payment of interest the note was not overdue. And the question is which of these circumstances is to determine the category into which the instrument falls—that of instruments which are "overdue" within the meaning of the Act or that of current instruments?

The Act itself furnishes no express definition of term "overdue;" but it contains expressions and even enactments not easily to be reconciled with the view that the circumstance alone of a payment of interest being in default is a sufficient ground for referring the instrument by which it is payable to the class comprised within the description. Section 23 (2) enacts that, "where a bill is accepted or indorsed when it is overdue it shall as regards the acceptor who so accepts or any indorser who so indorses it, be deemed a bill payable on demand."

The legislature could not have intended that after default in respect of a single payment of interest and before the maturity of the principal payable under it the indorsement of a bill should have the effect as regards the principal or as regards interest not yet payable of changing the character of the bill into that of a bill payable on demand. Section 142 also leads to singular results upon the respondents' reading of the words in question. But regarding the question as one of statutory construction merely the most formidable obstacle in the respondents' way appears to be the language of sections 70 and 71—the sections in which the legislature has expressly defined the legal characteristics of "overdue" bills and notes. In these sections the term "overdue" seems to be used as convertible with "after maturity." Now it is true that as the legislature has not expressly defined the meaning of the

term "overdue" so neither has it defined the equivalent expression; but construing the words in the ordinary sense I do not think the phrase "after maturity" is applicable to the state of the note in question here. In the ordinary sense of the words a mercantile document providing for the payment of principal and interest in respect of which the time for the payment of the principal should not have arrived would not be said to be "at maturity." And I do not think there is any special mercantile sense of the words—known at all events to the law—in which that description would fit such a state of such an instrument. (See United States vs. Pacific Ry. Co., 91 U. S. R. 72.) As a question of statutory interpretation then, if one were obliged to determine the question upon the words of the Act alone I should have a great difficulty in adopting the view advanced by the respondents. But I do not think the question is one of statutory construction only. Section 10 provides that:

"The rules of the common law of England including the law merchant save in so far as they are inconsistent with the express provisions of this Act shall apply to bills of exchange, promissory notes and cheques."

The express provisions of the Act do not in my judgment afford a clear guide upon the question; and it is I think one of the questions for the determination of which this section directs us to have recourse to the common law of England.

The characteristics which the law recognizes as marking negotiable instruments are, first, such instruments when payable to bearer or indorsed in blank are transferable from hand to hand as that the right to maintain an action upon the instrument passes by delivery of the instrument only; and secondly, a person taking such an instrument in good faith and for value acquires a title to it and that which it represents as against the whole world.

The learned trial judge then quoted extensively from the English cases and concluded that the distinction between a bill negotiated before and one negotiated after maturity was as put by Parke B., "The reason why the party who takes an overdue bill or note takes it subject to all its equities, is because, on the face of it, it carries suspicion; that does not apply to the case of a bill or note payable on demand."

First, then, is there, in the case of the negotiation of such instruments as those in question here, after default in the payment of interest and before maturity of the principal, any ground upon which such a presumption can, in the absence of any notice of such a default, be based?

The instruments which were the subjects of the observations in the cases referred to are there said to carry suspicion on the face of them because a bill which on the face of it is overdue and consequently ought not to be in circulation comes to an intended taker tainted with suspicion. But a bill not on its face overdue carries no suspicion because intending indorsees cannot from the face of the bill alone know that it ought not to be in circulation.

Municipal and other debentures so framed as to be promissory notes and nothing but promissory notes bearing interest periodically do, as everybody knows, circulate in the ordinary course of dealing. Nor do I suppose it has ever been suggested that everybody taking such a debenture is put at his peril upon the inquiry whether there is, in point of fact, an instalment of interest overdue and unpaid; and still less whether there has ever been in the history of the instrument a day's default in the payment of such an instalment.

The learned trial judge then reviewed a large number of cases dealing with the acquisition of negotiable instruments in good faith and agrees with the statement of Lord Herschell as follows:

"If there be anything which excites the suspicion that there is something wrong in the transaction, the taker of the instrument is not acting in good faith if he shuts his eyes to the facts

presented to him and puts the suspicion aside without further inquiry."

There remains the question whether, as regards the unpaid interest itself, the note should for the purposes of the rule in question be regarded as an overdue note. Against the affirmative of these views there is a strong prima facie case in the obvious inconvenience and confusion to which the adoption of it would in practice give rise. And although in strict theory there is something to be said in favor of it, I think it must be rejected.

The effect of the very lengthy and learned judgment of Mr. Justice Duff is summarized by him as follows:

The doctrine of constructive notice is not applicable to current bills and notes transferred for value, but in all cases when the good faith of the holder is in issue the question is a question of fact to be determined on the circumstances of the particular case; and on the evidence here the plaintiffs should be held to be holders for value in good faith.

Upon the question whether the note sued upon was overdue when it was acquired by the plaintiffs, as a clear rule upon that question cannot be gathered from the express provisions of the "Bills of Exchange Act" we must under section 10 of that Act have recourse to the common law for the purpose of arriving at the rule to be applied. The grounds upon which those decisions are based in which the rule limiting the currency of overdue instruments has been enunciated and applied do not in my judgment justify the application of the rule to a bill or note in respect of which the principal is not yet due, merely because a payment of interest is in default.

Moreover, for the reasons given, the plaintiffs cannot in taking the note sued upon be said to have taken a dishonored note with notice of its dishonor.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

PRESENTING CHECK A SECOND TIME.

Sheboygan, Wis., May 12, 1908.

Editor Bankers Magazine:

Sir: The banks in this city clear between one and two o'clock p. m. (We have no clearing-house.) It sometimes happens that in the clearings are checks we are obliged to refuse for lack of funds. As it often happens these checks are made good during the afternoon, we usually request the bank from whom we receive them to withhold protest until four o'clock, our hour of closing. Have we any legal right to make such request, or has the bank from whom we received the checks the right to protest immediately? In other words, have we until four o'clock to refuse or pay a check?

J. W. Hansen, *Cashier.*

Answer.—While the drawee bank has no legal right to make such a request, and the bank presenting the check is not bound to comply with it, there is no reason why they may not adopt this course if they like. A check, or other negotiable instrument, may be presented for payment as often as the holder sees fit, provided that he gives notice of dishonor within the required time after the first presentment. Such notice is always in time if given the same day, and whether it be given immediately after the first presentment, or after banking hours, is not material. (Negotiable Instruments Law [Wis.] Sec. 1678-62-63.) In a late case in the Supreme Court of Wisconsin, presentment was made to a Chicago bank between three and six o'clock in the afternoon, and it appeared that the business day of the bank continued after the close of clearing-house transactions, so as to enable banks to present items which had been refused payment through the clearings. The court held that the presentment satisfied the requirements of the Negotiable Instruments Law. (Co-

lumbian Banking Co. vs. Bowen, 114 N. W. Rep. 451.)

NOTE PAYABLE ON OR BEFORE ONE YEAR AFTER DATE—TENDER OF PAYMENT BY MAKER.

DEEP RIVER, CONN., May 20, 1908.

Editor Bankers Magazine:

SIR: Will you kindly advise us of your views in the following case:

$100— Sioux City, Ia., April 1, 1907.

On or before one year after date I promise to pay John Smith or order, one hundred dollars at First National Bank. Value received.

Sig. John Doe.

This note was given by Doe to one Roe for a debt. On February 1, 1908, Doe appeared at bank and desired to pay the note, but same had not been presented for collection or otherwise. Was not the endorser, Jno. Smith, released in consequence?

R. L. SELDEN, *Cashier.*

Answer.—The maker was not legally liable to pay the note until one year after its date, and his right to pay it before then was a mere option which he might exercise or not as he should prefer. (Riker vs. Sprague Mfg. Co., 14 R. I., 402; Smith vs. Ellis, 29 Me., 422; Albertson vs. Laughlin, 173 Pa. St. 525; Mattison vs. Marks, 31 Mich. 421.) And while the holder, in order to insure his right of recourse against the indorser, was bound to present the note for payment at the bank on the date of its maturity, he could not make any legal presentment before then. (Negotiable Instruments Law, [Conn.] Sec. 71.) And as he was not entitled to make demand before that date, it could hardly have been his duty to have the paper at the bank at all times in anticipation that the holder might choose to exercise his option. In Jordan vs. Tate (19 Ohio St. 586) the court said: "Though the maker has a right to pay such note at any time after its date, *yet for all purposes of negotiation,* it is to be regarded as a note payable on the day named therein." We do not think, therefore, that the indorser was discharged by the fact that the note was not at the bank when the maker called to pay it, even assuming that what he did amounted to a legal tender.

SAVINGS DEPOSITS WITH NATIONAL BANKS—NOTICE OF WITHDRAWAL.

WINONA, MINN., May 20, 1908.

Editor Bankers Magazine:

SIR: In case a national bank establishes a savings bank department and issues the usual form of savings bank books, is it lawful for such a bank to demand notice of withdrawal of such deposits? In other words, are not national banks obliged to pay on demand all such savings deposits?

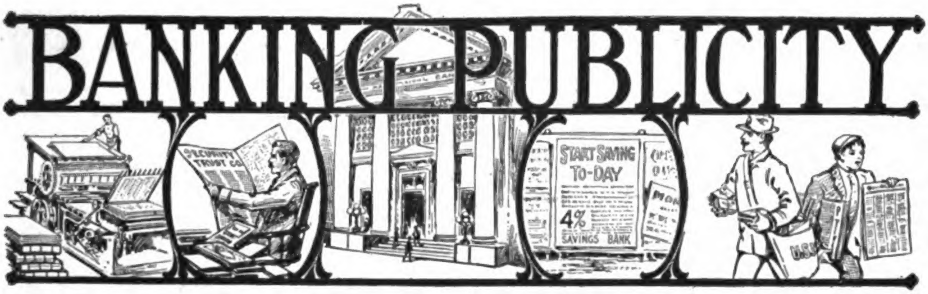
L. M. JUNG, *Teller.*

Answer.—Any deposit made with a national bank is payable on demand, unless there is some special agreement with respect thereto. But there seems to be no reason why such a bank may not enter into a contract whereby the deposit is not to become payable until the expiration of a certain time after notice given; and where a depositor accepts a deposit book, in the form commonly used by savings banks, and containing a clear and explicit statement that the deposit can be withdrawn only after notice, he would be deemed to have assented to these terms.

THE BANK CLERKS.

THE lesson of Muir's suicide is: Pay better salaries to bank clerks responsible for the safe keeping of other people's money.

While a good salary will not make an honest man out of a dishonest man, it will prevent many a naturally honest man from being driven to crime.—*Wall Street Journal.*



THIS department is for the benefit of those interested in promoting the business of banks, trust companies and investment houses by judicious advertising. Correspondence is desired. The purpose is to make this department a clearing house for the best ideas in financial publicity. Send inquiries, suggestions, information concerning results of various methods and campaigns, and samples of advertising matter for comment and criticism, to T. D. MacGregor, Manager, Publicity Department, Bankers Publishing Co., 90 William Street, New York.

STUDIES IN BANK ADVERTISING.

By C. L. Chamberlin.

UNTIL recently several kinds of business were debarred by public opinion from seeking an expansion of trade by means of advertising. Of course it was proper for a man to seek to expand his commercial relations, but this, public opinion declared, could only be done in a fitting manner by conducting an honest, satisfactory business which would itself draw other people to it.

Banking was long regarded as a business of this kind.

Just why the grocer, clothier or druggist should be privileged to exploit his business by advertising in the local papers, and the banker be compelled to refrain, cannot be clearly explained.

The most plausible reason seems to be that the business of banking is popularly supposed to be built upon personal honesty and integrity, whereas the ordinary merchant has also his goods of various kinds to sell at certain prices. It was thought to be undignified for a bank to ask support. It was the banker's place to stand aside in dignified isolation waiting the recognition of honest merit—a thing which we are taught always comes, though sometimes its coming is much delayed.

Modern banking laws have made it as difficult for a banker to go wrong and defraud his customers as for a man in any other profession or business.

But this was not the cause of the change of public opinion. When the time came some banker more far-sighted than his fellows decided that there was no sensible reason why a banker should not advertise.

Even then the rush did not begin. But when half a dozen bolder spirits had braved public opinion, had advertised, and had seen the steady inflow of business, the rush began. When it was seen that the subject of advertising had a side relating to the dividends paid, all fear of public opinion vanished and a large number of prominent banks entered the field as advertisers for business.

What Real Advertising Is.

Bankers who did not take up with the new methods of advertising as applied to banking, met the charge of being behind the times by a claim that they *were* advertisers. They called attention to the list of directors, financial reports, etc., which they had published from time to time. They were promptly told that such things could not be called advertising in the true meaning of the word. The average depositor cares nothing for such information He may feel glad that strong men are associated in his bank, but he is rarely won to give a bank his patronage solely by such matter.

There are some facts about advertising in its true sense which it is very necessary not to lose sight of, whether the advertising be for a bank or for a corner grocery.

The successful advertisement must contain a serious statement of facts. It must tell in a direct, logical manner why banking in its various forms is a necessary institution for many, and a convenient one for all.

After creating a good strong sentiment

W. B. BURLETSON, Pres. . . . . G. S. WHITMORE, Cashier.

FARMERS' & MERCHANTS' BANK

Pittsford, Mich.

It's A Comfortable Feeling

to have a little money in the bank and a more comfortable feeling to know that you can get it when you want it. We pay you 4 per cent interest semi-annually and have a comfortable feeling of giving your business our most careful attention.

LET US SERVE YOU.

Notary Public with Seal.—Fire Insurance at current rates.

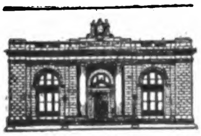
14

Combined Assets $6,500,000.00

Primarily a bank for the execution of commercial accounts, large and small.
But also a national bank offering the unusual advantage of a department devoted to savings depositors.

The National Bank of Commerce Cor. Madison Ave. and St. Clair St.

4



Our Banking Hours

Are from 9 to 3 o'clock daily and from 9 to 12 and 6 to 8 on Saturdays. If you have never been here, we would like to invite you to call and get acquainted. Drop in any time when you are down town.

The Peoples State Bank,.

FORT AND SHELBY STS.

6

It is well that you should know to just what extent you are additionally safeguarded by a National Bank

Stop in and discuss that question with the only National in Toledo with a savings department.

The National Bank of Commerce Cor. Madison Ave. and St. Clair St.

3

A Notable Success

Is generally attained by the man who saves his money and invests it wisely.

If you don't save, you will never have anything to invest, and splendid opportunities for you will be lost, because you cannot take advantage of them.

Don't let false pride stand in your way. Don't be ashamed to start saving with a small amount.

Citizens Savings Bank

SAFE AND RELIABLE.

CHAMBER OF COMMERCE BUILDING.

10

Start Your Children Right

It is more important to inculcate in your children the right principles of life than to leave them a million dollars.

Teach them to save and they will never want.

We pay a liberal rate of interest on savings.

Keep one of our house safes where you can drop in your nickles and pennies.

The safe can only be opened by electricity at the bank.

Citizens Savings Bank

CHAMBER OF COMMERCE BUILDING.

The First National Bank

OF HILLSDALE, MICHIGAN.

Organized A. D., 1863.

Capital and Surplus, $120,000.

Transacts a General Banking Business and Pays Interest on Savings Deposits.

Officers.

FRANK M. STEWART, President.
C. H. WINCHESTER, Vice-President.
CHAS. F. STEWART, Cashier.
Wm. PRIDEAUX, Asst. Cashier.
E. T. PRIDEAUX, Teller.

Directors.

F. M. Stewart.	Eli B. Rogers.
C. H. Winchester.	G. E. Lawrence.
H. B. Waldron.	Wm. Mackitchie.

Practice Thrift

Save Regularly and Deposit Often

therein lies the secret of getting ahead in the world.

The steady adherence to these three principles have made the wealthy men of today, and will make the wealthy men of the FUTURE. If you would be one of them open a Savings Account with this bank today. "Practice Thrift," Deposit Often and increase your savings with 3% interest.

THE DIME SAVINGS BANK

Cor. Fort and Griswold Sts.

1174 Jefferson Ave. 1491 Woodward Ave.

DETROIT, MICH.

in favor of banking in general for the average man or woman, the advertisement must go further, and show why some certain individual bank is better able to carry out the various processes of banking for the particular man or woman reading the ad. than are others. Many otherwise good bank ads stop just short of this, the individualizing touch, which every good ad. must possess. If this individualizing argument for your bank is not made, the entire talk is just as good an ad for some other bank.

In regard to the smallest savings account or the largest corporation's floating capital, come the same questions. There is but one essential difference between the common working man or woman seeking a good place for the investment of surplus savings, and the business man who already knows the general value and utility of banking. The former must first be persuaded that a bank with interest will suit his purposes better than the time-honored stocking, shoe, or old stove.

Even the merchants in a small way from the towns and villages which support no bank, hesitate at the use of a nearby bank as a place in which to deposit surplus sales moneys, and from which to pay all debts by check. Indeed, it sometimes takes many strong arguments to persuade a man of this class that it will be better for him to use a bank.

When this kind of depositor has been convinced of the usefulness of a bank, he is in the same class as the larger business men. He will then wish to know just what bank within his reach is best adapted to his needs, and prepared to give him best service.

The Individualizing Touch.

Now comes the time for the individualizing touch, the talk which is to send the man into the door of one bank, when the door of another, to all appearances its equal, stands invitingly open near by.

The man who can put such thought into his sentences as to do this, need have no fear concerning the success of his ads.

There are, then, two things to be kept in mind when writing bank ads: First, to create an interest in banks in general; second, to build up a direct, active interest in some one bank in particular. Neither can do its best work without the other, yet they are frequently seen in separate ads.

One of the most favored methods of bank advertising in smaller communities is to run a series of ads through twelve or fifteen numbers of the local weekly papers. Each ad is designed for a different class of people. Thus one may be directed to the working man with a family urging him to begin to save by laying away something every pay day. Another will be to young women, telling them of the ease with which they might deposit their spending money and pay all accounts by checks.

The man or woman who has had any thought of depositing surplus money in the bank will be attracted by these ads, and will read them till one is reached which appeals directly to him or her. Then they are apt to call at a bank or ask for a booklet by mail. Since a bank cannot tell just what effect an ad may have upon its readers, it is always well to offer an explanatory booklet. Some people will ask for this when they could not be induced to inquire of the bank's officials directly concerning its rules and methods.

Expert Service Needed.

There are several things a bank must learn before its advertising will be a success. One of the most important of these is that good bank ads cannot be written by anyone who can handle a pen. It is a branch of business which requires its special man just as does the credit department, the accounting department, and many others.

Some points in bank advertising are brought out by a study of the accompanying illustrations.

Illustration No. 1 shows a type of advertisement still used by some banks but rapidly passing out of use. Progressive men who believe in advertising a bank the same as any other business have dropped this style of advertisement. The list of officers and a statement of capital, while they may convince people of the honesty and responsibility of its officers, do not make an ad to attract business.

No. 2 is, as by evolution, the immediate follower of No. 1. It contains the additional feature of a statement of interest paid and a particular method of insuring safety to its depositors. It possesses a limited advertising value and is an improvement over No. 1.

No. 3 is a good ad for a national bank. It is calm and dignified in tone. While it is not an extreme bid for patronage, nevertheless, it contains statements which should set any interested man thinking.

No. 4 is similar to No. 3, though perhaps not as good a model. There is very little direct argument offered in it.

Bank advertisements should be largely educational in character. That is, they ought to enlighten the reader concerning both the advantages offered by a good bank and the benefits offered by the particular bank advertised. A type of educational

THE BUSINESS POLICY OF

THE CITIZEN'S BANK

is in the charge of the **WHOLE BOARD OF DIRECTORS**

Which meets the 2nd Wednesday of every month and considers every act of the BANK in detail. Could you ask for better insurance for the safety of Business

We pay three per cent Compounded Semi-annually.

CITIZENS BANK

NORTH ADAMS, MICH.

DIRECTORS	OFFICERS
A. Williams	A. Williams, President
J. M. Williams	J. M. Williams, V. President
Cyrus L. Wilcox	R. C. Cummings, Cashier
B. I. Lynch	
R. C. Cummings	

2

Get Interest ON Your Money

Take advantage of its earning power by letting it work for you. Any money, from $1 upward, deposited in our Savings Department on or before Saturday, July 13th, will draw interest from July 1st at the rate of 3%. $1 starts an account. Steel banks for the home.

On Mondays our Savings Department is open from 10 in the morning until 8 in the evening. Usual hours on other days.

We invite your patronage and will give you courteous treatment and service that you cannot get elsewhere.

ROYAL TRUST CO.-BANK

Royal Insurance Bldg., 169 Jackson Blvd.

Capital and Surplus Profits, $1,000,000

JAMES B. WILBUR, President.
EDWIN F. MACK, Vice-Pres. and Cashier.
JOHN W. THOMAS, Asst. Cashier.

Established 1891.

5

There Are

certain features you ought to know about a bank before patronizing it. We invite comparison and investigation.

Home Savings Bank Company

Organized 1893.
Madison, cor. Superior.

13

Money

is bound to take wings if you persist in carrying it on your person. Place it in this bank and save it.

HOME SAVINGS BANK COMPANY,

Organized 1893.
Madison, cor. Superior.

12

BANKING BY MAIL

With one of

CANADA'S

Oldest, Largest, Strongest and Safest Financial Institutions

"People whose money is deposited in the savings banks resent being questioned as to what they intend to do with the money they propose to withdraw. It is a humiliation to them to be obliged to go into details of their household economics, to plead with the cashier for their own money, and perhaps in the end be obliged to do without a new overcoat or a suit of clothes because the bank wants to hang on to the money."
—Detroit Journal.

This Corporation has a record of more than half a century, during which, notwithstanding several financial panics, no depositor has ever been asked to wait one hour for his or her currency. It has a fully paid-up capital of **Six Million Dollars** and a surplus (earned) of more than **Two and Three-Quarters Millions.** The amount of deposits it may accept is limited by law. It must have dollar for dollar of paid-up capital for its deposits, while its total liabilities of every kind cannot exceed four times its actual paid-up capital. Let us send you our last Annual Report and a pamphlet explaining how remittances may be made, the rate of interest allowed, etc. Write for them today.

Canada Permanent Mortgage Corporation

TORONTO CANADA

15

A Deposit

of part of your wages each pay day will soon surprise you with the amount you have to your credit

Compound interest will be added to the account each six months.

Michigan Savings Bank

9

The DOLLAR Savings Bank & Trust Co.

THE BANK THAT PAYS 4%

The Mere Fact That You Have a Savings Account Here on Which You Once

deposited a small sum, does not make you a real saver. The account that does not grow bigger usually grows smaller and is closed. Make yours a LIVE one. Add to it every week or month, and with the FOUR per cent we add, you will soon have something worth while.

607-609 MADISON AVENUE — *OPPOSITE THE NICHOLAS*

8

advertising is seen in No. 5, an advertisement of the Royal Trust Co.

Free Home Bank.

The first of this ad makes an offer of interest which should be a drawing card to bring in many a young depositor. Note, too, the offer of steel banks for the home. Such a plan proves useful in persuading people, particularly young people, to save in small sums at home. When the sum saved reaches a sufficient amount it will be taken to some savings bank for deposit. Of course, in most cases the money will be taken to the bank which thus gave the first incentive to save.

Finally, note the extra hours of business on Monday. This enables the working man to bring in the surplus from his wages of the previous week which were received on Saturday. It permits the working man to visit his bank without losing any time from work.

No. 6 shows a common form of state bank ad. Probably two-thirds of all the bank ads now printed are of this general type. It is a statement of the bank's good points in the form of a short direct "talk" to the prospective customer. This one is rather weak in copy, but the general display is good.

Nos. 7, 8 and 9 are types of direct argument advertising. Each contains an argument for saving, checking or some other feature of banking. Each is a good model of display for ads of this kind. Note how the use of a good cut strengthens an advertisement. Any savings bank will not go wrong if it uses advertisements like these.

It is the custom of many banks to run such ads in a series, and change the copy every two or three issues in a daily, or every issue in a weekly or monthly periodical. The ideal way is never to run the same copy twice, except when there is special reason to do otherwise.

Each ad ought to contain at least one strong, convincing argument, directed to a certain definite class of people, while the whole series appeals to the entire reading public of the periodical.

As types of ads run in series, notice Nos. 10, 11 and 12.

The Citizens' Savings Bank uses the same space and general typographical style in every ad. It is a very plain design, no cut of any kind, and only a few kinds or sizes of type. The messages to the public found in these ads are the strongest possible talks in the form of a direct argument. Such ads are always found to be a most excellent means of increasing deposits.

No. 12 is similar to No. 10 and No. 11, but occupies much less space. In the original form as it appeared in a city daily, this ad was twenty-eight lines, single column.

Practically all of the ads discussed were taken from city dailies. But the city banks are not the only ones which are putting out good newspaper ads. No. 13 was clipped from a little country weekly which, to use its own words, possesses "six hundred subscribers living on four rural routes." The village in which the bank is located has a population of four hundred, and the bank has been running less than one year. But its officers believe in advertising, and their ad shows that they are at least on the right track.

No. 14 is a type fast becoming common, not only in the dailies and weeklies, but in the magazines as well. Indeed, in banking by mail, distance is no barrier, and as the magazine covers a wider territory it is likely to prove the best of all periodicals as an advertising medium for that class of business.

Banking By Mail.

Banking by mail has become one of the most popular features of modern banking. The form of the ad herewith reproduced is typical of the usual ads of this kind. Many of them are more extensive and give a complete statement of the bank's plans of carrying on business.

From the nature of the business they are almost entirely of the educational type. Sending money by mail for deposit is far too novel yet for many to embrace its advantages without first being influenced to such a course by reading the arguments contained in the bank's booklets, or by the advice of others who have done so and have been satisfied with the results which followed.

Banking by mail is a "mail order" business, and like other concerns of this nature, is most successful when operated by methods peculiar to this class of business.

A considerable amount of printed matter will be found both useful and necessary for the proper conduct of the business. This will consist of letters, circulars and pamphlets arranged in the form of a "follow up" system. These pieces of printed matter will be mailed to prospective patrons one at a time, at intervals of one, two, or four weeks. A mailing list of suitable names must first be secured, and preserved by means of a card index. Each card will contain the name, address, such other information as may be deemed desirable, and a careful record of all letters, and other printed matter, which has been mailed.

ADVERTISING CRITICISM.

Remarks on Financial Advertising Submitted For Comment.

MR. F. W. CRANE, cashier of the First National Bank of Mount Sterling, Ill., submits the following series of "John Doe" ads.:

About John Doe.

John Doe borrowed $3,000 from Mr. Moneyman for five years and secured him with a mortgage on his land. Moneyman gave Doe the privilege to pay $100 or multiples on the loan on the annual interest payday. Last year the interest payday came around before Doe was ready for it. He had not yet threshed his wheat and his hogs would not go for sixty days. But he borrowed $500 from the First National Bank of Mt. Sterling and paid that much on the mortgage. Then he paid the bank in sixty days, after he had sold his wheat and hogs. It cost him sixty days interest but it saved him twelve months interest. Payday came again this year and he was not ready for it. He has borrowed $500 again and made his payment. Says his money is coming in "in dribs" this time and it may be six months before he gets the bank paid but he will save six months interest anyhow.

Cannot the First National Bank perform the same service for you?

More About John Doe.

John Doe used to keep anywhere from $100 to $1,000 in cash hidden around the house. Used to worry a good deal about it. Was afraid someone would stumble on to the hiding place. Used to get it out and count it over once in a while. He never found that it had increased any and occasionally found the mice had mutilated bills, once destroyed a few. Finally he tried another plan. Took a Certificate of Deposit in the First National Bank of Mt. Sterling. This Certificate is payable on demand and draws interest if left a term of months. Doe likes that much better. Says he never worries about the safety of the money now. He can get it just as quick as he will ever need to and instead of shrinking it increases.

Cannot the First National Bank perform the same service for you?

More About Doe.

John Doe used to pay for everything in money. Said it did not seem to him like a payment unless he saw the "color of the stuff." But he lost $95 out of his pocket one day. Another time someone touched him for $37.85 and he very often found it very inconvenient to make change. Finally he forgot to take a receipt and had to pay the same bill twice. Then he decided that was too costly a way of doing business for him. Now he is paying by checks on the First National Bank of Mt. Sterling. Says he don't have to bother with the coin. His pencil always makes change easily and correctly. His checks make good receipts and besides by using checks he says he makes the bank do his bookkeeping for him.

Cannot the First National Bank perform the same service for you?

J. Doe Again.

John Doe used to keep his valuable papers about the house. Kept them in his "secretary." He forgot to lock it once. An inquisitive neighbor took a look and the next day some of his private business was the gossip of the neighborhood. Had a little fire once. Fire happened in the same room with the "secretary." Insurance money paid him for the damage to house and furniture but even could they have been insured, money could not have paid him for the loss of land records and other valuable papers. Doe's neighbor keeps his papers in the steel vault of the First National Bank of Mt. Sterling. Tells Doe they are private there for he carries the key. They are safe because it is the best vault in this part of the state. Tells Doe its the best insurance he has for it is the cheapest and saves him the most worry.

Cannot the First National Bank perform the same service for you?

John Doe on Easy Street.

John Doe was always industrious. He made good wages and lived well. Was a little too easy, though, and the first of the week always found him with nothing to show for his past week's work. But when he fell sick and had recovered and had paid the doctor and the nurse after long weeks of hard labor and careful saving, he made a resolution. Said he would not again be caught that way. Started a two-dollar-a-week-deposit account with the First National Bank of Mt. Sterling. As moderate sum accumulated he took interest bearing Certificates of Deposit. He feels very comfortable now. Is ready for the rainy day. Says he will soon build him a house corner of Easy Street and Velvet Avenue, then quit work—will just let his money work. Teaches his boys "of saving comes having."

Cannot the First National Bank perform the same service for you?

J. Doe Calls on the Bank.

John Doe is a good manager and long headed. But he's not a prophet nor the son of a prophet. Therefore he didn't foresee that the bottom would drop out of the hog market. Had some wheat on hand too and a lot of the value has dropped out of that. Didn't foresee that either. He has some payments to make about now and to meet them he expected to market his hogs and wheat. Doe thinks the market will improve a little later. Has borrowed from the First National Bank of Mt. Sterling and made his payments. Doe thinks that is one of the things a bank is for. Says it's to help the community in just such times as these.

Cannot the First National Bank perform the same service for you?

Neighbors Help J. Doe.

John Doe sometimes has money in the bank, sometimes hasn't. But when Doe is short it often happens his neighbors are not. A lot of them have $100 or so ahead which they have no present use for. Last week Doe wanted to borrow $1,000. Needed it in his business. But Doe is a busy man. Couldn't go skirmishing about the country borrowing from the neighbors, a little here, a little there. Doe is careful—didn't want so many notes out. Is prudent—didn't want his affairs neighborhood gossip. Doe went to the First National Bank of Mt. Sterling where his neighbors have their money de-

posited. The bank by experience knew that all of the neighbors would not want all of their money at one time. It therefore loaned part of the neighbors' money to John Doe. The bank divided the interest it received with the neighbors by paying them interest on their deposits. Doe got his money in one place where his affairs are private and where he can repay when he markets his stock. His neighbors thus helped John Doe.

spare the time but he had to see to his banking business. Doe is saving the time now. Is banking by mail. The rural route from his door takes his deposits to the First National Bank of Mt. Sterling and he gets a receipt back by next mail. Pays all bills by checks. Finds they go through the mail as well as drafts or money orders. Doe thinks by checks is the only way to pay, for his pencil makes change and the checks

Strong Copy.

Neighbor, is your money in the First National Bank where it helps your friend John Doe?

J. Doe Banks by Mail.

When John Doe first farmed he came to town in a wagon with a spring seat. Thought that better than horseback, the way he formerly traveled. But the trip cost a day's time. Later he came in a buggy and cut the time lost to half a day. He came about once a week and when he calculated he found that in every year he was spending almost a month of good working time in town and on the road. Said he could ill

when paid make good receipts. Doe says the wagon and the buggy were all right for pioneer days but the up-to-date luxury is banking by mail.

Is the First National Bank performing the same service for you?

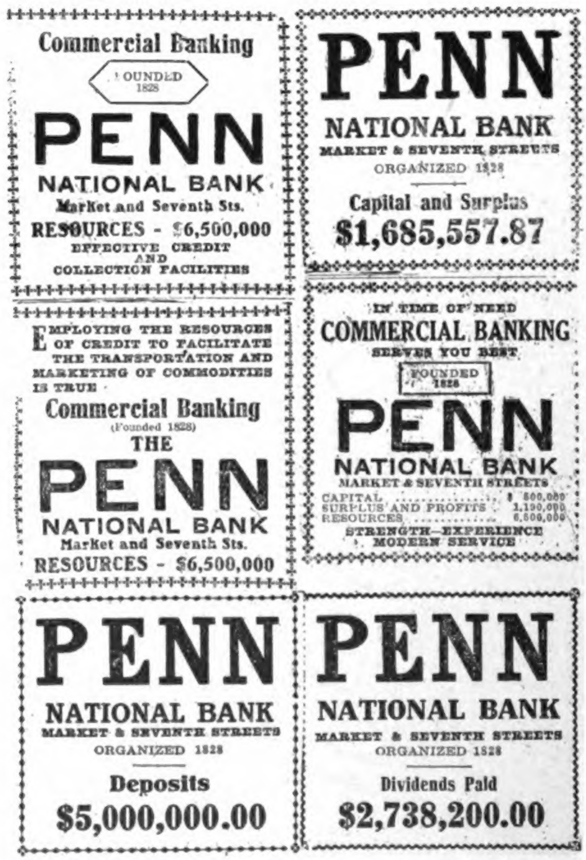
We call this mighty good stuff. It is interesting, colloquial and personal. On general principles direct discourse is better than indirect, that is, if the copy were written in the first person, John Doe telling his own experience, it probably would be more effective. But as it stands this is a good

series and we imagine these ads. are refreshing oases in the desert of stale and unprofitable advertising where they appear.

The bunch of ads. of the Union Savings Bank of Pittsburgh is sent by Thomas T. Myler of the advertising agency of William S. Power & Bro. of Pittsburgh. In speaking of them he says:

"I enclose some clippings of advertisements I have used once a week in Pittsburgh dailies to advertise the Union Savings Bank of Pittsburgh. These ads. have proved effective in securing new business, and support a theory that I have always advanced that a sizable ad. once a week is better than a small ad. every other day, or even every day."

These ads. speak for themselves. They are strong, sensible, compelling—such as one would expect from the brain of a man who has made a special study of bank advertising. The copy is good internally and externally, the typographical form being in perfect keeping with the thought expressed. In regard to the relative value of large space once a week and smaller space more frequently, there is room for difference of opinion. Big space lets you shout. You have to whisper in small space. It's pleasant to have room enough to "throw yourself," but "constant dropping wears away the stone." Why not strike a happy medium and run a moderate sized ad. about three times a week?



A Good Small-Space Series.

On this point Herbert Kaufman in the Chicago "Tribune" says:

Now advertising is, after all, a matter of hitting the eye of the public. If you allow too great an interval to elapse between insertions of copy the effect of the first advertisement will have worn away by the time you hit again. You may continue your scattered talks over a stretch of years but you will not derive the same benefit that would result from a greater concentration. In other words, by appearing in print every day you are able to get the benefit of the impression created the day before, and as each piece of copy makes its appearance the

result of your publicity on the reader's mind is more pronounced—you mustn't stop short of a knock-down impression.

Persistency is the foundation of advertising success. Regularity of insertion is just as important as clever phrasing. The man who hangs on is the man who wins out.

The Penn National Bank makes wise use of small newspaper space. The ads. reproduced occupied only about 30 lines each in Philadelphia newspapers. All of them featured the age of the bank, "Organized 1828" and each had some special talking point as dividends paid, resources, deposits, etc. In every case the name PENN sticks out like a sore thumb. On the whole these are model small ads.

Arthur A. Ekirch, secretary of the North Side Savings Bank of New York, sends samples of three pieces of advertising literature which he says his bank has found profitable. Two of them are vest-pocket size primers—one entitled "Think More, Spend Less," the other "At the Grindstone." They contain some strong, right-off-the-bat talk about saving money. The third piece is a 2½x5-inch card showing how various small sums of money will grow when they are drawing compound interest.

RESULTFUL ADVERTISING.

A Comparison of Two Advertisements Which May Not be Entirely Odious.

COMPARISONS are odious, but sometimes they are helpful.

On this page we reproduce advertisements of the Chatham National Bank of New York and of the International Correspondence Schools of Scranton, Pa. We are willing to give both of these institutions a free advertisement because we desire to use their respective announcements to point our moral and adorn our tale.

If there is one sentence that has been used more commonly in bank advertising than any other it is that in the Chatham National Bank advertisement—"Solicits the accounts of merchants, firms and corporations, and is

THE CHATHAM NATIONAL BANK

BROADWAY AND JOHN STREET, NEW YORK.

Solicits the accounts of merchants, firms and corporations, and is prepared to extend to them every facility consistent with conservative banking.

ESTABLISHED 1851.

Was the Ad. Established in 1851, too?

We're Going to Raise Your Salary

Such scenes as this are actually taking place every day. Invariably the man who gets the raise is the *trained* man—the expert—while the *untrained* man plods along at the same old wage.

If *you're* poorly paid and *have ambition* you're too good a man to be kept down; and you *wouldn't* stay down if you only knew how easily you can acquire the training that will put you in the lead. It doesn't cost you anything to find out how you can accomplish this —*how you can have your salary raised.* The only requirement is the ability to read and write. Simply mark the attached coupon and mail it now to the International Correspondence Schools.

During February 676 students voluntarily reported salary increases and promotions received as a direct result of I. C. S. training.

International Correspondence Schools,
Box 828, SCRANTON, PA.
Please explain, without further obligation on my part, how I can qualify for a larger salary in the position before which I have marked X

Bookkeeper	Mechanical Draftsman
Stenographer	Telephone Engineer
Advertisement Writer	Elec. Lighting Supt.
Show Card Writer	Mechan. Engineer
Window Trimmer	Plumber & Steam Fitter
Commercial Law	Stationary Engineer
Illustrator	Civil Engineer
Civil Service	Building Contractor
Chemist	Architec'l Draftsman
Textile Mill Supt.	Architect
Electrician	Structural Engineer
Elec. Engineer	Banking
	Mining Engineer

Name__________

Street and No.__________

City__________ State__________

An Ad. that Appeals.

prepared to extend to them every facility consistent with conservative banking."

We doubt if this was the best thing that might have been said even the first time it was ever used but when hundreds of banks

MORE LIVE ADVERTISERS

These Ads. appeared in Boston Papers right after the Chelsea Fire.

have used it scores of times it is pretty threadbare, and its value from an advertising standpoint is practically *nil.* "Age has staled and custom withered it," because it has no "infinite variety."

Surely there must be something about a bank fifty-seven years old that gives it an individuality—something that gives it the right to rise above the commonplace in its advertising. As it is, "Established 1851" is the strongest part of this advertisement, but that way of stating the age of the institution is merely conventional and not particularly action-compelling.

In criticizing such advertising as this we do not think that we are setting up a man of straw just to knock him down again. We sincerely believe that such advertisements are not the best. All advertising is good, but some is better. Even an old and prosperous bank can not afford to do poor advertising.

If this be treason, make the most of it.

A Style That Pays.

Now, glance at the other advertisement for a few moments, and as you do, remember that the great business it stands for has been built up *entirely through advertising.*

Results form the ultimate test of all advertising. The International Correspondence Schools have been using this style of advertising for years and have grown to enormous proportions through it. Notice that this copy does not read:

"The International Correspondence Schools solicit students and are prepared to extend to them every facility consistent with conservative correspondence instruction."

Perhaps you say "Bank advertising ought to be more dignified than that of a school." Well, why should it? Isn't a man's education, his preparation for his life work, just as important and serious a matter as his banking relations? And why shouldn't there be just as much human interest in the advertising matter meant to appeal to him for one of his needs as for another?

A writer in a recent number of "System," said:

This is the test. If your customers like your goods, and continue to buy them in ever increasing patronage, you need not worry over stretching a point in conservative advertising. There is no law of business or common sense that compels a merchant to stick to heavy dignity at the expense of trade. What passes for dignity in advertising, very often, is mediocrity. Lack of originality sometimes passes for conservatism. A merchant should seek to appeal to the public through mind-channels that run in the most human direction. When you discover that direction, let the idea have free play, even if you must be undignified.

That is from the merchant's standpoint and to a certain extent the same can be said of bank advertising.

Of course, it is not meant to assert that a commercial bank should use exactly the same methods in seeking business as the correspondence school does in getting pupils. That would be a *reductio ad absurdam,* but nevertheless the principle is the same. The details must be worked out with good judgment and common sense.

Good Points Brought Out.

The good points of this I. C. S. ad. includes the following:

It is well illustrated, that is, the figures are lifelike and full of expression. They mean something and serve not only to at-

tract attention to the advertisement but to emphasize the thought of the reading matter, the illustration and the copy being closely tied up together. There is enthusiasm in both the illustration and the copy. The "we're," "you're," "wouldn't" and "doesn't" are colloquial. The frequent use of personal pronouns brings the message home to the reader much more strongly than could be done otherwise.

The advertisement appeals to *self interest* and *ambition,* which the advertising man of the I. C. S. well knows are two of the strongest levers it is possible to use in moving the human will.

By telling the large number of students who voluntarily reported promotions, the ad. writer proves the reasonableness of his claims and likewise appeals to another side of human nature—the willingness to do something that many others are doing.

Printing a coupon and telling people definitely just what you want them to do is good, too, because it makes it easy for them. Even the dotted border of the coupon has a psychological value as it shows how easy it is to cut out the coupon.

"Box 823" is a key number, whereby the advertiser can tell how this particular medium pays him. No advertiser can afford to do things by guess in spending his good money for advertising.

Banks can learn a good deal from the study of the work of such successful advertisers as this.

Some day a New York city bank will become courageous enough to do some *real* advertising—possibly even going so far as to use good appropriate illustrated copy as well as sound arguments and reasons.

There have been $75,000 receiverships, why not a bank advertising appropriation of that amount? Rightly expended it would be a dividend earning investment.

A GOOD BOOK FOR ADVERTISING WRITERS.

ONE of the greatest aids to the writer of advertisements is to have at hand a compendium of quotations. An apt quotation often adds interest and force to an advertisement or booklet. The best book of quotations we have ever seen is "A Book of Quotations, Proverbs and Household Words," by W. Gurney Benham, published by the J. B. Lippincott Company, Philadelphia.

The book contains over 32,000 references selected from 1300 authors, and has a full verbal index. It has ancient and foreign language quotations as well as English ones.

This work, which has occupied the author for nearly twenty years, is probably the fullest and most complete of its kind. It is arranged according to the alphabetical order of the authors quoted—the dates of each writer being given—and this method greatly facilitates reference. In other dictionaries of quotations contemporary writers are scarcely represented at all, but the author of this volume has given particular attention to this point.

The book is an octavo volume of 1256 pages and sells for from $3 to $7.50, according to binding.

USEFUL CLEARING HOUSE CHECKS.

CLEARING HOUSE checks proved a handy expedient last winter and they are still being used in Chicago—but in a new way. The cardboard cover of the leaflet containing the May 14th statements of the First National Bank and the First Trust and Savings Bank is manufactured out of pulp made from Clearing House checks issued by the Chicago Clearing House Association between November 14 and December 19 last. Photographs of the checks appear on the third page of the cover.

The following facts concerning the checks are given:

Clearing-house checks were issued in payment of clearing-house certificates by the Chicago Clearing-House Association, beginning November 14, 1907, and continuing through the stringency of last fall and winter. Checks were prepared to the extent of $13,873,000.00, and were paid out to the amount of $7,600,300.00. These checks were made of the finest bond paper. They were handled by picked men from four of Chicago's banks without error or difference of any kind. A small amount of the checks still remain outstanding, probably held as souvenirs. The checks redeemed and cancelled, along with the unused checks, were on the first and second of April, 1908, taken to a paper mill in Chicago and made into pulp in presence of the picked men already referred to. This pulp was made into the cardboard on which this is printed, so that the same material which found so useful a place at that time, now furnishes a souvenir which while recalling the emergency then existing also records its happy ending.

HOW BANKS ARE ADVERTISING.

Note and Comment on Current Financial Publicity.

A SMALL Pennsylvania national bank says in an advertisement:

"We are not in business for our health alone, but will be glad to attend to all the business sent us, at our usual rates."

This "cannot but make the judicious grieve" and makes even "the unskilful laugh." Why should any concern asking for business call such special attention to its desire to make all there is to be made? Isn't it better manners and more tactful to tell people that you want to do all you possibly can to help them, and keep your own interests in the background?

On the other hand, don't be too meek. The cashier of a good sized bank in a New England city where competition is keen among the financial institutions told the writer the other day that he was satisfied with the business that his bank was doing—tnat his institution was getting its share of the new business and he didn't think he needed to do much advertising for new business. Too much self satisfaction in business is dangerous.

The Cleveland Trust Company is advertising a rather unusual department for a financial institution—the protection and inspection of furs during the summer months. The articles are kept in fire and burglar-proof storage vaults and are guaranteed against damage by moths.

The First National Bank of Joliet, Ill., issued a special souvenir number of its house organ, "The Banker," containing an account of the annual meeting of the North Eastern Illinois Bankers Association in April. The souvenir was bound in imitation of a passbook cover.

The Commercial National Bank of Raleigh, N. C., used a copy of its authorization to commence business, signed by the Comptroller of the Currency, March 14, 1908, as an advertisement in leaflet form.

The Half-Dime Savings Bank of Orange, N. J., issued an interesting leaflet containing the abstract of its report of January 1, 1908, and valuable information for depositors.

A Group of Bank Emblems.

The new building of the Corn Exchange National Bank, Chicago, is being made known to the public generally by means of a colored post card.

One of the assets of the Appomattox Trust Co. of Petersburg, Va., is its historic name and location. One piece of advertising it issued contains a strong colored picture of the Battle of the Crater and a description of that famous event of the Civil War.

In the group of emblems reproduced perhaps the most interesting is that of the

United States Trust Company. The line "operated under the control of the United States Government" is strongly emphasized by the position of the company's name under the spreading wings of the national capitol.

a masterpiece typographically and all of its ornaments are adaptations of detail found in the building, offices and vaults.

The large newspaper advertisement of the Quincy (Ill.) National Bank, reproduced

What's Good Enough for Uncle Sam Is Good Enough for You

Uncle Sam has just deposited in the Quincy National Bank **$100,000.**

First our affairs and standing, our assets, etc., were investigated by the United States government and found to be in a safe and sane condition.

Uncle Sam Is Taking No Chances With His Money

We merely mention this fact as a demonstration of the solidity and saneness of this Bank and its methods.

A bank that the United States government voluntarily trusts with $100,000 is trustworthy to become the guardian of anybody's money. Of that fact there can be no doubt.

And the QUINCY NATIONAL BANK Is More to It's Depositors Than a Depository

We are willing to act as financial counsellors—to advise our depositors in the investment of their money. Our position in the financial world demands that our officers acquaint themselves with the value and probable development of all kinds of securities, stocks, and bonds and enterprises.

Our depositors are cordially invited to make free use of this information. It will practically insure the making of only profitable investments and prevent the making of unsafe ones.

There are other helps in the financial way, too numerous to mention, which we can extend to our depositors They can always command us whenever in need of advice or information and feel assured that we will treat their interests as carefully and conscientiously and conservatively as we do our own.

If you contemplate opening a bank account we trust you will consider the facts here given and weigh them for what they are worth. We will welcome your deposit, be it little or big, and will cheerfully open all the advantages of the bank to you.

Quincy National Bank,
N. E. Cor. 4th & Hampshire St.

A Strong and Well Balanced Ad.

One of the handsomest bank booklets that has come to our desk in a long time is that of the Commercial National Bank and the Commercial National Safe Deposit Co. of Chicago, edited by Craig B. Hazlewood and issued in honor of the opening of the new building of these allied institutions. Equipment and facilities are thoroughly explained by word and picture. The book is

in reduced size, is a strong one. It shows a good use of large space and proves that the officers of this institution know what strong and timely advertising means. Mr. J. M. Winters, cashier, has direct charge of the advertising.

The National City Bank of New Rochelle, N. Y., has just published a splendid histor-

How Are You Going To Spend Your Vacation?

This question is usually answered more quickly by the man who has been creating a reserve for his vacation expenses. It is not too late now to put aside a little money for a good cool outing trip

DURING THE HOT SUMMER MONTHS

FIRST NATIONAL BANK

Corner Fourth and Jackson Sts. Oldest Bank in Sioux City

ONE DOLLAR OR MORE STARTS A SAVINGS ACCOUNT.

Now's the Time to Run this Ad.

ical book, "New Rochelle Through Seven Generations." This book is so well written and beautifully illustrated and bound that it is sure to be treasured in many a New Rochelle home for years to come and as it carries suitable advertising of the National City Bank, it undoubtedly will prove a paying investment for that institution.

Yes, Citizens State Bank, we think you ought to "cut out" that kind of advertising if you want to keep the entire confidence

Cut This Out

And save it as a memorandum. You'll need it some day when you tire of keeping that large amount of cash about and want a good bank where you can deposit and take out the convenient and the saving check book.

The Citizens State Bank

Newton, Iowa

By All Means!

and respect of the business men in your community. Leave "Sunny Jim" to the breakfast food people.

That is a timely ad. of the First National of Sioux City, although there isn't much satisfaction in accepting small amounts to remain on deposit only a few weeks. However, it is something to get people acquainted, by actual experience, with the advantages of a savings account.

Last month we reproduced one of the "Safe Deposit by Mail" ads. of the Carnegie Safe Deposit Co. of New York. The company has issued a very attractive booklet descriptive of its plan. This advertising is handled by Thomas T. Myler of William S. Power and Bro.

The Carnegie Trust Co. of New York uses this confidence-inspiring matter on its latest statement folder:

Safety Before Profits.

For more than twenty-five years no depositor has ever lost a dollar by keeping his account in any trust company of New York State.

In over a century there has been only one trust company that has not paid every depositor in full.

There are over four billions of dollars of deposits and other resources in the trust companies of the United States to-day.

The Alamo National Bank of San Antonio, Tex., in its February 14 statement shows deposits subject to check amounting to $1,434,946.56. Its officers state that its deposits grew steadily all through the unsettled condition of last winter.

Everybody knows that the Cleveland banks are good advertisers. The Guardian Savings and Trust Co. of that city makes its good April 1 statement the center of an interesting and effective booklet.

The Aetna National Bank of Hartford, Conn., issues a dignified and attractive statement folder, which has a good photograph of its building tipped on to the cover. The advertising of this bank is in charge of Henry T. Holt, assistant cashier.

The Carnegie Safe Deposit Company
requests the honor of your presence
on Wednesday the tenth of June
from two until six o'clock.
at the opening of the
first Armor Plate Vaults installed in this city.
in the Trinity Buildings, One hundred fifteen Broadway

Entrances from the Subway station at Wall Street,
from Cedar Street, or from elevators in Broadway corridor.

An Attractive Invitation.

Genuine Help in Pushing Your Business

Are you pushing your business?

Is your advertising as effective as it might be and ought to be?

If you are not sure that it is, here is something that will help you. It is a strong new book on advertising by one of the most successful advertising writers in the country. It is entitled "PUSHING YOUR BUSINESS," and is written by T. D. MACGREGOR, Ph.B., of THE BANKERS MAGAZINE.

Is it not worth one dollar to you to have at hand in form convenient for ready reference and constant use in your own business the results of the experience of a man who has handled the advertising preparation of the largest real estate investment house in the world and that of an $86,000,000 National bank, the largest financial institution in the country outside of New York?

If you think you can derive at least a dollar's worth of good from the experience of such a man, epitomized and crystallized in a 126-page book of absorbing interest and intensely practical value, it will pay you to buy this book. Read it and you will understand why the author was able to write a single circular which sold more than $60,000 worth of stock in small lots in three weeks. If you don't absorb some of the pushing spirit of this book and turn it to practical value in your own business it will be your own fault. Read what is being said about "PUSHING YOUR BUSINESS"—

I have read all the leading works on advertising, but I believe this is the most practical one I have seen. I am sure I shall be a better advertiser for having read it.

A. D. SALLEE, Adv. Mgr.,
Mellon Nat'l Bank, Pittsburgh, Pa.

I have carefully scanned every bit of advice on advertising I could get hold of. "Pushing Your Business" is so much better than anything else I have ever seen that I shall keep it on my desk as a textbook. It gives me inspiration in almost every sentence.

FRED N. VAN PATTEN,
Real Estate Investments, Syracuse, N. Y.

"Pushing Your Business" is the most interesting work of its kind I have yet seen.

JOSEPH C. ALLEN, Treas.,
Hampden Trust Company,
Springfield, Mass.

HANDWRITING--ITS ANALYSIS AND EXPRESSION.

By Mary H. Booth.

THE variations of handwriting and characteristic formation as expressed in a signature which the banking and commercial world accept, involving large obligations, prove conclusively the value of a graphological deduction from the analysis of a signature or letter.

Peculiarities of form, movement and style are found to harmonize with general physiognomical manifestations.

Examine the writing of the "impulsive" nature and contrast the rapidly traced letters and irregular outline with the slowly formed characters and deliberate outline of the "phlegmatic" writer.

Note the careful tracing and exact formation of the "neat and orderly" mind, compared with the careless, indifferent scrawl of the "irresponsible" writer.

Many interesting deductions are possible without analysis, to the observant eye and intuitive mind, as by Mrs. Browning in Aurora Leigh:

"I know your writing, Romney, recognize the open-hearted A—the liberal sweep of the G," in which she refers to the open extended hand of the generous nature.

Nathaniel Hawthorne alludes to the reflective force of the handwriting in his Book of Autographs in Tales & Sketches, etc.

Charles J. Peterson writes in "The Old Stone Mansion" "the very handwriting trembled with passion."

The effect of the emotions on the handwriting may be recognized and divided into these classes:

First—The tonic or active—those which animate—recognized in the quick movement and ascending lines.

Second—The devitalizing — those which depress—reflected in the slower tracing and descending lines.

Third—The violent—as expressed in anger, passion or fury—finding emphatic pen expression in the crossing of the t's and other pronounced pen strokes.

Studies of the habits of authors, together with their facsimile handwriting, afford excellent material for the application of graphological principles.

The clearly and regularly traced letters of Walter Scott's signature reflect

the "neat and orderly" mind and harmonize with Lockart's description of his methodical habits and regular routine of work.

In contrast to the above compare the following autograph of Oliver Goldsmith's signature. The letters are ir-

regularly traced and indifferently formed.

There is a lack of harmony and stability in the formation—no two letters are formed alike, some being rigidly upright or vertical—as in the i, o, v and m, others slope to the right, particularly the l's and th, and the signature graphologically reflects his "volatile will" and instability of purpose, which overbalanced the more excellent qualities and genius of the author.

The firm tracing and bold outline of Robert Browning's signature is an interesting study.

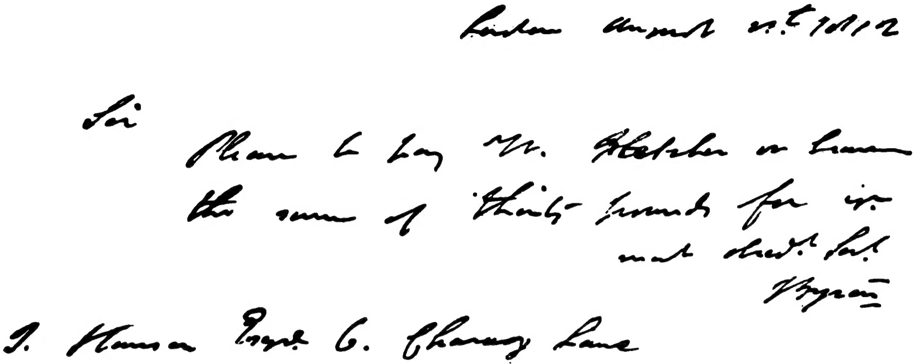
Each letter is clearly and legibly traced and a harmonious uniformity in size and slope attracts the eye, suggesting firmness and stability of purpose and a resolute will, contrasting vividly with Byron's facsimile writing as shown in the draft made to his servant reproduced herewith by permis-

sion of the Frank A. Munsey Company.

The above deductions may be recognized intuitively by the observant eye of an interested student. For purposes of comparison and analysis the following principles are given:

Principles of Analysis.

Handwriting is usually divided into two classes—vertical or sloping—but measurement and anonymous letters or disputed handwritings are quickly discerned and confirmed by the graphologist who grasps the outline and significance of a signature or letter as readily as the musician reads the melody in the printed notes, which may be confirmed by application of principles and logical deduction that cannot be disproved.



From Munsey's Magazine, June 1897 - by permission.

the graphologist finds distinctly individual characteristics in every hand, making various classifications under which specimens have a relative and corresponding value, but possessing different elements, these being modified or intensified by the various combinations when studied in their "harmonic" or "resultant" sense.

The writing may, in general outline, be upright or sloping, angular or rounded, extended or compressed, connected or separated, large or small, legible or illegible, regular or irregular, weak or firm, light or heavy, ascending or desending, simple or pretentious—reflecting particular temperamental qualities which constitute the basis of the "characteristic signature" or hand so essential for the protection of financial interests and contracts, the validity of which is determined by a few pen strokes—or characteristic signature.

Illegible Handwriting.

This may be interpreted more readily by the eye trained in analysis and

An examination of checks involving large amounts suggests the adoption or cultivation of the exclusive intricate or characteristic check signature for its protection, thus the plain and simple signature of

might be easily cultivated to a more intricate form like the following:

This signature permits of more pronounced movement and expression. These directions may be given for writing it: Make the second capital first, extend its final stroke to the first capital, leaving necessary space for smaller letters, then connect the last capital letter with top of central initial, and finish with curved final or flourish.

ALEXANDER GILBERT.

President of the New York Clearing-House Association.

AMONG the bankers who uphold the honorable traditions of New York banking, Mr. Alexander Gilbert, president of the New York Clearing-House Association, and president of the Market & Fulton National Bank of New York, justly holds a high rank on account of his long connection with banking in this city, his personal attainments and his conservative character. Some of Mr. Gilbert's recent addresses on banking have contained so much clear and sound information, based upon long experience and study, that they are entitled to a permanent place in the country's financial literature.

Mr. Gilbert was born at Elizabeth, N. J., August 10, 1839, and was educated in the public schools there and at New Haven, Ct. In 1865 he settled in Plainfield, N. J., where he became actively identified with local affairs. In the early seventies he served several terms as a member of the common council. He was elected Mayor of Plainfield in 1890, serving six years, being elected twice without opposition. Mr. Gilbert took a prominent part in organizing the Young Men's Christian Association, and was its first president. In 1892 he was a delegate to the National Republican Convention.

Mr. Gilbert is the only banker now surviving among those who were present at the first meeting of the New York Clearing-House Association, which he attended in 1863. He became secretary of the Association in 1894, and in 1904 and 1905 was a member of the clearing-house committee, and in 1906 was elected president of the association—a position which he still holds.

Mr. Gilbert's banking career began in 1859, when he entered the old Market Bank. Four years later, at the age of twenty-four, he was elected cashier, and for a number of years had the distinction of being the youngest banker in New York. He had numerous offers to become president of other banks, but preferred to remain with the old institution. The Market Bank took over the Fulton National Bank in 1887 under the title of Market & Fulton National Bank of New York. Mr. Gilbert was elected president in 1893.

Mr. Gilbert is treasurer of the Hillside Cemetery Association of Plainfield, trustee and vice-president of the Plainfield Public Library, member of the American Academy of Political and Social Science, New York Chamber of Commerce, and the New York Board of Trade and Transportation. His clubs are the Union League, Republican and Fulton of New York and the Country Club and Park Club of Plainfield. He was married June 6, 1865, to Louise F. Randolph.

Mr. Gilbert is frequently called on to make addresses before organizations of bankers and commercial bodies. His wide acquaintance with banking affairs, his intimate knowledge of men and events, supplemented by careful study of banking and business problems, give weight to whatever he may have to say. As a banker, though favoring safe progress, he probably would not dislike being called "old-fashioned," for he believes in safety as the first consideration, and keeps his institution out of Wall Street speculation, endeavoring to make it serviceable only to purely commercial transactions.

A portrait of Mr. Gilbert appears as a title illustration in this number of the MAGAZINE.

CURRENT OPINION

CONSERVATISM IN BANKING.

JUST now the "old-fashioned" banker is more popular than he was a few years ago. In his address before the recent convention of the New Jersey Bankers' Association, Alexander Gilbert, president of the New York Clearing-House Association thus emphasized the need of conservatism in banking:

Sometimes it appears to me that we have been in what I might term a prosperity trance during the past ten years. Business has expanded by leaps and bounds owing to the marvelous growth and development of the country. Great corporations have come into existence representing every department of our business life. The resistless energy of our people, and the rapid increase of the material wealth of the country have bewildered imagination. No lamp of Aladdin could work such miracles as we have witnessed during this prolonged period of prosperity. We almost were converted to the belief that a new era had dawned upon the business world; that old things had passed away, and all things had become new; that the world no longer had any use for the man with old-fashioned, conservative ideas of business. We coined a new phrase, and used it quite freely—modern business methods and modern business achievements. But the panic of 1907 has awakened us from our trance, we are no longer under the spell of a delusion. We have surely discovered that there is no modern way of doing a banking business which is any improvement on the good old-fashioned conservative methods handed down to us by our fathers. A banker may be dominated by the idea of building up a big bank —of accumulating a line of deposits 25 or 30 times the amount of his capital—of expanding his loan account in proportion, regardless of the liquid character of his assets. He may accumulate large profits and move along with a feeling of perfect safety so long as the skies are fair, but if he undervalues conservatism, just one panic like 1907 will convince him that his house is built on the sand, and that his career as a banker is ended. This applies not alone to banks but to merchants and manufacturers as well. In the long run very few succeed who do not make conservatism the controlling principle of business life. A banker in close touch with the business operations of his customers can detect this lack of conservatism very quickly, and if he is wise, he will not be influenced by large balances to unduly expand the loan account of the man who lacks it. If you ask me to take a leaf from the book of my banking experience for your own benefit, the one that I would select would contain this suggestion—don't try to build up a big bank, rather strive to develop a safe bank, a bank with a reputation for usefulness to the business community. Such a bank will have a natural growth. A natural growth is a healthy growth and will never lead you into paths of danger and peril. Be thorough in your efforts to understand the financial status and business character of your customers—treat them as liberally as you can, especially in the hour of panic, when they most need your help. Don't be afraid of the result. If you do your utmost to uphold your customers, they will do their utmost to sustain you. That is the universal experience of liberal and conservative bankers.

JAPANESE FINANCES.

BARON SAKATANI, ex-Minister of Finance of Japan, was the guest of honor at a luncheon given May 23 at the Hotel Astor, New York city, by a committee of Japanese members of the Japan Society.

Baron Sakatani said in the course of his speech:

To begin with, I must thank the Government and people of this country for the moral support and good will shown us during the last fifty years. I am sure you are all familiar with the history of friendship between your country and mine. But you must be proud of the important part taken by many of your countrymen since the time of Commodore Perry in the work of leading Japan on to the path of modern civilization.

Though at present I do not hold any government position, I do not hesitate in the least to convey to you the gratitude of the whole Japanese nation. No wild

rumor is strong enough to disturb this warm friendship and I am confident that this traditional relationship will remain in the future just as cordial as it has been in the past.

As to the finances of Japan, the critical period was in the time of war. Now we have successfully passed through that important point and are in the period of readjustment of the war finance.

The first step taken by the Government toward this end was to establish the means by which we can gradually refund the principal and interest of the national loans—say, in less than thirty years. It has been fixed by law that our Government shall expend annually no less than 110,000,000 yen as a sinking fund. At the same time, however, the Government decided to continue the war taxes to which it had resorted as a war measure. Strong as was the opposition, the bill has at last passed the Diet and has become a law.

Foreign critics have often pointed out that after the three great wars in the course of the last fifteen years, the expenditure of the Japanese Government to be borne by the people has enormously increased, and they seem to wonder if the people can really stand such a heavy burden.

It should, however, be remembered that this apprehension is entertained by those who take seriously irresponsible utterances of opposite politicians before a general election, of those who are not familiar with the real financial strength of the nation. I firmly believe that compared with some European countries our people's financial burden is not at all too heavy in proportion to their resources. It is my great pleasure to tell you that the financial programme and the budget for the current year, prepared by me before my resignation, were based on the state of affairs in the time of peace.

I do not mean to say that foreign capital is not welcome in Japan. I have always entertained an idea that the development of communication and transportation is the most important factor of the country's progress. My trip to America has made my conviction in this respect firmer than ever. I can assure you, gentlemen, that the financial situation of our Government is so stable and sound that it admits of no apprehension whatever; yet the introduction of foreign capital is certainly a desideratum of our industrial community.

"RADICALISM" OF THE FOWLER BILL.

SPEAKING a short time since before the Banking and Currency Committee of the House, Finley Acker, chairman of the banking and currency committee of the Trades League of Philadelphia said in regard to the Fowler currency bill:

Is it too radical for Americans to abandon a bond-secured currency system when they know that its volume bears no relation to the normal demands of trade, and that it encourages speculation and creates panics, when a sound and scientific system can be substituted without disturbance and without alarm to the public?

Is it too radical for Americans to have their fiat Treasury notes retired and converted into sound gold certificates so gradually that the public would not know it?

Is it too radical for Americans to have their bank deposits guaranteed when the losses for forty years have averaged less than one-thirteenth of one per cent. of the deposits—even under the present inefficient Federal supervision; and when such guaranty would prevent future runs upon banks, with all their collateral evils?

Is it too radical for Americans to permit national banks to exercise the functions of trust companies, when these two lines of financial business are now being successfully operated by the same officers in many cities, and when such a combination would insure greater protection to depositors?

Is it too radical for the Government to pay its bills by check upon bank depositories, as is done by states and municipalities, when it would thereby keep the people's funds in the healthful channels of active trade?

When I reduced the apparent radical and revolutionary ideas to concrete propositions I had to smile at my former fears; and when I looked further into the bill and saw how skillfully and successfully the danger of depreciation in United States bonds was met; when I saw how effectually the prompt redemption of bank notes was assured through the payment by the Government of all expenses attached to the transmission of bank notes to their redemption agency, coupled with the desire of all national banks to exchange the notes of their competitiors into lawful money as soon as possible; when I realized how certain it was that the contingent liability for loss by reason of the failure of other banks would result in a degree of supervision and unification, which would make wild-cat banking and failure a rarity in the future; and when I comprehended how coordinated each feature in the bill was to the others, I felt assured that it would be only a question of time when nearly every one who shared the apprehension that the Fowler bill is too radical would be among its most earnest champions, because the more thoroughly the measure is rationally criticised the more perfect and scientific does it appear as a whole.

LATIN AMERICA

MEXICAN BANKS AND BANKING.

Present Financial Situation—Proposed Changes in the System.

IN transmitting the following information concerning banks and banking in Mexico, Consul W. D. Shaughnessy, of Aguascalientes, reports that, owing to the continued increase of general business and the falling off of foreign investments, due to the unsatisfactory monetary conditions in the United States and Europe, no striking developments have been made in the Republic during the past six months.

The banks of Mexico are reported to be in need of increased resources, in order to finance many proposed enterprises, and, without a doubt, any improvement in the money market will bring large capital into Mexican fields. The recent stringency, both in the United States and Europe, has not prevented the Mexican banks from paying their obligations in cash, but it has been the means of prohibiting the lending of money except upon sound security at the high rate of twelve per cent. interest, an increase of 2½ per cent. since last July. Foreign exchange is very high, and little or no business is being done with the United States, all drafts issued being still made payable through the clearing-houses.

Upon the invitation of the Minister of Finance delegates from the banks of the Republic assembled in April for the purpose of discussing ways and means to improve the banking methods of Mexico.

PROPOSED CHANGES.

The Minister of Finance strongly advocates the necessity of a bank having its numerary values and documents in such a condition that it may convert the sum represented into cash assets at a moment's notice to cover its liabilities on presentation. He also condemns the practice of the banks in allowing interest on open accounts, the reason being that time deposits are most desirable and protect them from unlooked-for surprises. The Department of Finance has made the following suggestions:

	June 30, 1906.	June 30, 1907.	Increase (+) and decrease (—).
ASSETS.			
Unpaid capital	$4,904,483	$8,601,432	+$3,696,949
Cash on hand	72,231,514	68,647,861	— 3,583,653
Notes of other banks	6,111,889	6,599,339	+ 487,450
Notes discounted	176,405,874	201,294,724	+24,888,850
Loans on collateral	92,964,809	115,966,740	+23,001,931
Loans on mortgage	18,114,256	22,320,585	+ 4,206,329
Loans secured by subsidiary mortgage guarantee	3,071,674	1,999,943	— 1,071,731
Loans of encouragement	2,780,801	2,947,770	+ 166,969
Public funds and other immediately realizable securities	22,419,612	27,023,563	+ 4,603,951
Unliquidated accounts	....	875,662	+ 875,662
Real estate	6,114,938	7,405,445	+ 1,290,507
Accounts current, debtors	223,761,985	260,080,521	+36,318,536
Total assets	$628,881,835	$723,763,585	$94,881,750
LIABILITIES.			
Subscribed capital	$146,600,000	$162,000,000	+$16,000,000
Notes in circulation	97,134,977	98,470,528	+ 1,335,551
Mortgage bonds in circulation	15,047,100	17,276,000	+ 2,228,900
Cash bonds in circulation	2,596,900	1,590,500	— 1,006,400
Call deposits and check accounts	34,713,838	36,268,915	+ 1,555,078
Other deposits	20,852,497	27,625,327	+ 6,772,829
Accounts current, creditors	258,434,271	323,934,957	+65,500,686
Reserve funds	44,053,780	48,333,473	+ 4,279,693
Emergency funds	9,448,472	7,663,885	— 1,784,587
Total liabilities	$628,881,835	$723,763,585	$94,881,750

That efficacious means be found to fortify the cash reserves against any demands made against them for speculative purposes or fluctuations in the price of precious metals or for necessary balances; that forced and artificial circulation of their bills be avoided; that an agreement be reached by which the banks will not make advances outside their territorial jurisdiction without security; that a limit be placed on the obligations which different persons may contract at each bank; that the attorneys of the banks do not enjoy greater privileges than any other private individuals; that greater vigilance be exercised over the management of the banks and that more accountants and experts be engaged and special commissions instituted, and that they determine upon a better form to advise stockholders and the public of tne true conditions of the banks.

Standing of the Banks.

The recent report of the Minister of Finance gives the accompanying figures as to the standing of the banks from the annual balance sheets on June 30, 1907, as compared with the corresponding date in 1906, in Mexican dollars ($1 Mexican equals 49.8 cents American).

The distribution of the reserve funds held by the banks on the two mentioned dates was as follows:

Banks.	June 30, 1906	June 30, 1907.	Increase.
National Bank of Mexico	$25,992,113.40	$26,746,287.27	$754,173.87
Bank of London and Mexico	13,500,000.00	14,250,000.00	750,000.00
Other banks	14,010,138.76	15,001,070.00	990,931.24

The total cash holdings of the banks in October, 1907, was $68,565,407, and the note circulation for the same date was $94,577,098. Adding call deposits, check accounts, and note circulation there was a total of $134,739,443, against holdings amounting to $75,247,200 and $27,023,563 in public funds and other securities susceptible of immediate realization June 30, 1907.

New Coinage—Old Coinage Withdrawn.

The quantity of new currency coined from May, 1905, to November, 1907, was as follows: Ten-dollar gold pieces, $44,446,120; 5-dollar gold pieces, $28,720,380; total gold, $73,166,500; 50-cent silver pieces, $26,186,519; 20 and 10-cent silver pieces, $5,499,924; total silver, $31,686,543; 5, 2, and 1-cent bronze pieces, $1,738,147; total coinage, $106,591,190.

Fiscal year.	Silver pesos.	Subsidiary silver coins.	Copper.
1905-6	$800,000	$4,584,594	$57,578
1906-7	5,718,330	3,212,347	84,074
July 1 to November 25, 1907	......	1,064,002	37,984
Total	$6,518,330	$8,860,943	$179,636

The accompanying table shows the old silver and copper coins that have been withdrawn from circulation, the silver coins for remintage and the copper coins to be melted and sold:

The Banking Law—Classes of Banks.

Charters or concessions are granted in Mexico for the establishment of three distinct kinds of banks, viz., banks of issue, mortgage banks, and loan banks (bancos refaccionarios).

Banks of issue are those which are permitted to issue notes of the various denominations which are redeemable at par and at sight to bearer. The minimum capital must be $500,000, and at least 50 per cent. of the total capital subscribed must be held in cash before operations are commenced. Bank notes do not constitute legal tender and cannot be issued for lesser denominations than $5. Cash in hand in the bank must at no time represent less than one-half of the amount of its circulation plus its sight deposits and deposits at three days' sight. Circulation is limited to three times the amount of paid-up capital.

Banks of issue are prohibited from discounting paper of any running nature, negotiating in paper running over six months, or accepting notes or other documents for discount which do not bear two responsible signatures or are not guaranteed by mortgage security. They cannot secure loans, or contract any compromise on notes of their own circulation, and are forbidden to mortgage their properties or surrender their discounts for collateral security to any third party. They cannot accept mortgages on properties, except under special circumstances and with the approval of the Department of Finance, as follows: When a client's credit decreases and it becomes necessary to protect the note discounted, authorization is granted by the Department only on condition that the total amount of the mortgage in favor of the bank does not exceed one-fourth part of the paid-up capital, and only when this se-

curity is given to protect a credit which will mature within two years from the date of transaction.

Mortgage banks are those which make loans on rural and urban properties and issue bonds which accrue interest and are amortizable through special conditions and at specified date, being protected by the mortgage proper. The minimum capital must be $500,000, and 50 per cent. of the total subscribed stock in cash.

Banks of loan are those banks which are authorized or expressly organized with the object of facilitating mining, agricultural, and industrial enterprises by means of privileged loans, without mortgage security. These banks issue short time credit bonds which accrue interest and are payable at specified times or dates. The minimum capital stock is $200,000.

Concessions and Charters.

Special concessions are granted for the working of each of the banks named, and in no case can one concession cover the working of any two, neither can any one class of bank transact business pertaining to or covered by the concession of another of a different order.

Concessions are granted by Congress and decreed by the Executive of the nation, and in no case can they exceed thirty years' duration for banks of issue, and fifty years for loan banks and mortgage banks. A concession cannot be secured by less than three persons, who are required to prove, within four months after it has been granted, the constitution of the stock company which proposes working it, as well as the transfer of the concession to the company.

The stock company comprises at least seven individuals, the stock being considered as registered bonds until its total value has been paid in. Concessions are granted only when the concessionaires have previously deposited bonds of the National public debt with a nominal value, at par, of at least 20 per cent. of the amount of cash which the bank is required to have in its vaults for the commencement of operations. This deposit is returned as soon as business commences.

Charters for the establishment of institutions of credit are granted to private individuals or corporations, but the exploitation of such charters or concessions can only be carried on through the medium of corporations or stock companies legally organized in the Republic.

The domicile of the institution is considered at the place where the head office is located, and the capital stock can not be increased without the approval of the Minister of Finance.

Exemptions and reductions in taxation are only granted to the first bank established in each state or federal territory. All other banks are required to pay all taxes established by law, as well as a special federal tax of two per cent. per annum on the total paid-up capital of the institution.

State banks can not organize or open branches out of their territory, to cancel or manipulate their circulation, except when special authorization has been granted by the Executive of the nation. This special authorization is never granted except when sufficient proof is shown that unusual commercial relations exist between various states. On no account can branches be established in the City of Mexico or the federal district.

Banks Subject to Government Control.

All banks are subject to Government intervention, the interventor or inspector being named by the Federal Executive. A monthly cash balance is published, in which is shown, apart from the balances of those accounts required by law, the total cash on hand, total notes in circulation, and the amount of sight or three days' sight deposits.

Should the bank's circulation at any time exceed the amount required by law, the same must be communicated immediately in writing to the Government inspector, and the bank is required to suspend all further operations of loans until its note circulation is again found within the limit fixed by law. If this end is not reached within fifteen days, the Department of Finance will fix a convenient time, which in no case can exceed one month, so that the bank's circulation may be adjusted. Failure to comply with this is penalized by forfeiture of its concession and the liquidation of the bank's affairs.

All banks are under obligation to redeem all notes placed in circulation by them. A branch is only required to redeem those notes placed in circulation bearing a countermark showing that they have been issued from that branch. Denomination of bank notes is confined to those of 5, 10, 20, 50, 100, 500, and 1,000 pesos, which are stamped by the Government upon authorization of the Department of Finance. This authorization is only given when proof is shown that the notes represent an amount according to the bank's concession.

All notes which are presented by the public, even though they are torn or impaired, are redeemable if they legibly show the number, series, denomination, and corresponding signatures. Those withdrawn from circulation are destroyed by fire, according to law.

Foreign institutions of credit which

make a practice of issuing credit paper can not establish branches or agencies in the Republic of Mexico to handle or negotiate their paper.

It is not doubted that Mexico's chartered banks rank, as to solidity, among the foremost in the world, but the recent suspension by the banks of Yucatan and the stringency of the world's money market has made it necessary for the banking circles of Mexico to prepare against dangers arising from mismanagement and possible misappropriation of funds.

NEW BUILDING OF THE BUREAU OF AMERICAN REPUBLICS.

ON May 11 the corner-stone of the new building of the International Bureau of American Republics at Washington was laid with fitting ceremonies. Secretary of State Root presided, and addresses were made by President Roosevelt, Secretary Root, Andrew Carnegie and Joaquim Nabuco, the Brazilian Ambassador. Congratulatory cablegrams from the presidents of the various Latin-American republics were read by John Barrett, Director of the Bureau.

A description of the new building and an illustration from the architects' drawings have already been published in this MAGAZINE.

EXTRACTS FROM THE ADDRESSES.

SECRETARY ROOT: Many noble and beautiful public buildings record the achievements and illustrate the impulses of modern civilization. Temples of religion, of patriotism, of learning, of art, of justice abound; but this structure will stand alone, the first of its kind—a temple dedicated to international friendship. It will be devoted to the diffusion of that international knowledge which dispels national prejudice and liberalizes national judgment. Here will be fostered the growth of that sympathy born of similarity in good impulses and noble purposes which draws men of different races and countries together into a community of nations, and counteracts the tendency of selfish instincts to array nations against each other as enemies.

From this source shall spring mutual helpfulness between all the American republics, so that the best knowledge and experience and courage and hope of every republic shall lend moral power to sustain and strengthen every other in its struggle to work out its problems and to advance the standard of liberty and peace with justice within itself, and so that no people in all of these continents, however oppressed and discouraged, however impoverished and torn by disorder, shall fail to feel that they are not alone in the world, or shall fail to see that for them a better day may dawn, as for others the sun has already risen.

It is too much to expect that there will not be controversies between American nations to whose desire for harmony we now bear witness; but to every controversy will apply the truth that there are no international controversies so serious that they cannot be settled peaceably if both parties really desire peaceable settlement, while there are few causes of dispute so trifling that they cannot be made the occasion of war if either party really desires war. The matters in dispute between nations are nothing; the spirit which deals with them is everything.

PRESIDENT ROOSEVELT: In the next place, as President of this republic, I greet the representatives of all our sister republics to the south of us. In a sense, you are our elder sisters and we the younger people, for you represent a more ancient civilization on this continent than we do. Your fathers, the Spanish and Portuguese explorers, conquerors, lawgivers, and commonwealth builders, had founded a flourishing civilization in the tropics and the south temperate zone, while all America north of the Rio Grande was still unmapped wilderness.

Your people had founded American universities, were building beautiful cities, were laying deep the foundations of future national life, at many different points in the vast territory stretching from the Colorado to the Plata, before the ships of the Frenchman and the Englishman, the Swede, and the Hollander, had found permanent havens on the North Atlantic seacoast. For centuries our several civilizations grew each in its own way, but each sundered from the others. Now we are growing together.

More and more in the future we shall each give to and get from the others, not merely things of material value, but things that are of worth for the intellectual and spiritual welfare of all of us. In the century that has passed the development of North America has, on the whole, proceeded faster than the development of South America; but in the century that has now opened I believe that no other part of the world will see such extraordinary development in wealth, in population, in all that makes for progress, as will be seen from the northern boundary of Mexico through all Central and South America.

AMBASSADOR NABUCO: There never has been a parallel for the sight which this ceremony presents—that of twenty-one nations, of different languages, building together a house for their common deliberations. The

more striking is the scene as these countries, with all possible difference between them in size and population, have established their union on the basis of the most absolute equality. Here the vote of the smallest balances the vote of the greatest. So many sovereign states would not have been drawn so spontaneously together if there did not exist throughout them, at the bottom or at the top of each national conscience, the feeling of a destiny common to all America. It seems, indeed, that a decree of Providence made the western shore of the Atlantic appear late in history as the chosen land for a great renewal of mankind.

Andrew Carnegie: There is no work going forward in the world to-day which good men everywhere should regard with deeper interest and warmer approval than that in which the American republics are now engaged. Let us, then, stand true to our ideal—the American continents dedicated to internal peace. In this sublime labor it thrills me to feel and to repeat that there is no people whose heads and hearts are more fully enlisted than the people of the United States, no ruler who will labor more zealously than the President, no Secretary of State who will study more deeply or advise more wisely than he who holds that office to-day. This work accomplished, to every one who has contributed to it in the smallest degree there will come the assurance that he has not lived his life in vain.

MEXICAN BANKING LAW.

THE committee on finance of the Mexican Congress has reported favorably the bill prepared by Minister of Finance Jose Y. Limantour for the regulation of chartered banks. The prime object of the measure is to protect depositors and to add to the solidity of the banks. It prohibits officials of banks from borrowing from their own banks during the first year of the existence of the institutions. All loans must be amply secured. Loans of banks of issue are limited to periods of not more than two months. The bill contains many other stringent regulations.

The new clauses governing banks of promotion direct that depositors received by such institutions shall be protected by keeping on hand at least 20 per cent. more than at present, either in cash or in first rate securities, with the remaining 60 per cent. in notes liable to discount and taken for a period no longer than six months. In the matter of bonds the existing regulations will be amended to the effect that the total amount of the issue may not exceed the holding of the bank in cash plus its holding in first class securities. In no event shall the total issue exceed five times the paid up capital of the bank.

BANKERS' CONVENTIONS.

THE American Bankers' Association has fitted up its offices at 11 Pine street, New York city, for the accommodation and comfort of its members, and they are urged to call and make use of them when in New York.

STATE BANKERS' CONVENTIONS IN 1908.

Date.	State or Name.	Place.	Secretary.	Address.
July 23-24	Colorado	Colorado Springs	A. A. Reed	Boulder
June 20	Maine	Waterville	H. S. Hall	Waterville
Sept. 23-24-25	Maryland	Baltimore	Charles Hann	Baltimore
July 6-12	Michigan	Marquette	Hal. H. Smith	Detroit
July 23-24	Minnesota	Duluth	E. C. Brown	Minneapolis
July 27-28	Montana	Billings	Frank Bogart	Helena
July 9-10	New York	Hotel Frontenac	E. O. Eldredge	New York
June 24-25-26	North Carolina	Morehead City (Atlantic Hotel)	W. A. Hunt	Henderson
July 16-17	North Dakota	Bismarck	W. C. Macfadden	Fargo
June 26-27	Oregon	Salem	J. L. Hartman	Portland
July 8-9	South Dakota	Deadwood	J. E. Platt	Clark
June 18-19-20	Virginia	Hot Springs	N. P. Gatling	Lynchburg
June 18-19-20	Washington	North Yakima	P. C. Kauffman	Tacoma
July 15-16	Wisconsin	Milwaukee	J. H. Puelichor	Milwaukee
July 23-24-25	American Institute of Banking	Providence	G. E. Allen	New York
Week of Sept. 27.	American Bankers' Association	Denver	Fred E. Farnsworth	New York

THE NEW CURRENCY LAW.

THAT national banking associations, each having an unimpaired capital and a surplus of not less than 20 per cent., and not less than ten in number, having an aggregate capital and surplus of at least $5,000,000, may form voluntary associations to be designated as national currency associations. The banks uniting to form such association shall, by their presidents or vice-presidents acting under authority from the board of directors, make and file with the Secretary of the Treasury a certificate setting forth the names of the banks composing the association, the principal place of business of the association, and the name of the association, which name shall be subject to the approval of the Secretary of the Treasury. Upon the filing of such certificate the associated banks therein named shall become a body corporate, and by the name so designated and approved may sue and be sued and exercise the powers of a body corporate for the purposes hereinafter mentioned: *Provided*, That not more than one such national currency association shall be formed in any city: *Provided further*, That the several members of such national currency association shall be taken, as nearly as conveniently may be, from a territory composed of a state or part of a state, or contiguous parts of one or more states: *And provided further*, That any national bank in such city or territory, having the qualifications herein prescribed for membership in such national currency association, shall, upon its application to and upon the approval of the Secretary of the Treasury, be admitted to membership in a national currency association for that city or territory, and upon such admission shall be deemed and held a part of the body corporate, and as such entitled to all the rights and privileges and subject to all the liabilities of an original member: *And provided further*, That each national currency association shall be composed exclusively of banks not members of any other national currency association.

The dissolution, voluntary or otherwise, of any bank in such association shall not affect the corporate existence of the association unless there shall then remain less than the minimum number of ten banks: *Provided, however*, That the reduction of the number of said banks below the minimum of ten shall not affect the existence of the corporation with respect to the assertion of all rights in favor of or against such association. The affairs of the association shall be managed by a board consisting of one representative from each bank. By-laws for the government of the association shall be made by the board, subject to the approval of the Secretary of the Treasury. A president, vice-president, secretary, treasurer, and an executive committee of not less than five members shall be elected by the board. The powers of such board, except in the election of officers and making of by-laws, may be exercised through its executive committee.

The national currency association herein provided for shall have and exercise any and all powers necessary to carry out the purposes of this section, namely, to render available, under the direction and control of the Secretary of the Treasury, as a basis for additional circulation, any securities, including commercial paper, held by a national banking association. For the purpose of obtaining such additional circulation, any bank belonging to any national currency association, having circulating notes outstanding secured by the deposit of bonds of the United States to an amount not less than 40 per cent. of its capital stock and which has its capital unimpaired and a surplus of not less than 20 per cent., may deposit with and transfer to the association, in trust for the United States, for the purpose hereinafter provided, such of the securities above mentioned as may be satisfactory to the board of the association. The officers of the association may thereupon, in behalf of such bank, make application to the Comptroller of the Currency for an issue of additional circulating notes to an amount not exceeding 75 per cent. of the cash value of the securities or commercial paper so deposited. The Comptroller of the Currency shall immediately transmit such application to the Secretary of the Treasury with such recommendation as he thinks proper, and if, in the judgment of the Secretary of the Treasury, business conditions in the locality demand additional circulation, and if he be satisfied with the character and value of the securities proposed and that a lien in favor of the United States on the securities so deposited and on the assets of the banks composing the association will be amply sufficient for the protection of the United States, he may direct an issue of additional circulating notes to the association, on behalf of such bank, to an amount in his discretion, not, however, exceeding 75 per cent. of the cash value of the securities so deposited: *Provided*, That upon the deposit

of any of the state, city, town, county, or other municipal bonds, of a character described in section 3 of this act, circulating notes may be issued to the extent of not exceeding 90 per cent. of the market value of such bonds so deposited: *And provided further,* That no national banking association shall be authorized in any event to issue circulating notes based on commercial paper in excess of 30 per cent. of its unimpaired capital and surplus. The term "commercial paper" shall be held to include only notes representing actual commercial transactions, which when accepted by the association shall bear the names of at least two responsible parties and have not exceeding four months to run.

The banks and the assets of all banks belonging to the association shall be jointly and severally liable to the United States for the redemption of such additional circulation; and to secure such liability the lien created by section 5230 of the Revised Statutes shall extend to and cover the assets of all banks belonging to the association, and to the securities deposited by the banks with the association pursuant to the provisions of this act; but as between the several banks composing such association each bank shall be liable only in the proportion that its capital and surplus bears to the aggregate capital and surplus of all such banks. The association may at any time require of any of its constituent banks a deposit of additional securities or commercial paper, or an exchange of the securities already on deposit, to secure such additional circulation; and in case of the failure of such bank to make such deposit or exchange the association may, after ten days' notice to the bank, sell the securities and paper already in its hands at public sale, and deposit the proceeds with the Treasurer of the United States as a fund for the redemption of such additional circulation. If such fund be insufficient for that purpose, the association may recover from the bank the amount of the deficiency by suit in the circuit court of the United States, and shall have the benefit of the lien hereinbefore provided for in favor of the United States upon the assets of such bank. The association or the Secretary of the Treasury may permit or require the withdrawal of any such securities or commercial paper and the substitution of other securities or commercial paper of equal value therefor.

SEC. 2. That whenever any bank belonging to a national currency association shall fail to preserve or make good its redemption fund in the Treasury of the United States, required by section 3 of the act of June 20, 1874, chapter 343, and the provisions of this act, the Treasurer of the United States shall notify such national currency association to make good such redemption fund, and upon the failure of such national currency association to make good such fund, the Treasurer of the United States may, in his discretion, apply so much of the redemption fund belonging to the other banks composing such national currency association as may be necessary for that purpose; and such national currency association may, after five days' notice to such bank, proceed to sell at public sale the securities deposited by such bank with the association pursuant to the provisions of section 1 of this act, and deposit the proceeds with the Treasurer of the United States as a fund for the redemption of the additional circulation taken out by such bank under this act.

SEC. 3. That any national banking association which has circulating notes outstanding, secured by the deposit of United States bonds to an amount of not less than forty per centum of its capital stock, and which has a surplus of not less than twenty per centum, may make application to the Comptroller of the Currency for authority to issue additional circulating notes to be secured by the deposit of bonds other than bonds of the United States. The Comptroller of the Currency shall transmit immediately the application, with his recommendation, to the Secretary of the Treasury, who shall, if in his judgment business conditions in the locality demand additional circulation, approve the same, and shall determine the time of issue and fix the amount, within the limitations herein imposed, of the additional circulating notes to be issued. Whenever after receiving notice of such approval any such association shall deposit with the Treasurer or any assistant treasurer of the United States such of the bonds described in this section as shall be approved in character and amount by the Treasurer of the United States and the Secretary of the Treasury, it shall be entitled to receive, upon the order of the Comptroller of the Currency, circulating notes in blank, registered and countersigned as provided by law, not exceeding in amount ninety per centum of the market value, but not in excess of the par value of any bonds so deposited, such market value to be ascertained and determined under the direction of the Secretary of the Treasury.

The Treasurer of the United States, with the approval of the Secretary of the Treasury, shall accept as security for the additional circulating notes provided for in this section, bonds or other interest-bearing obligations of any state of the United States, or any legally authorized bonds issued by any city, town, county or other legally constituted municipality or district in the United States which

has been in existence for a period of ten years, and which for a period of ten years previous to such deposit has not defaulted in the payment of any part of either principal or interest of any funded debt authorized to be contracted by it, and whose net funded indebtedness does not exceed ten per centum of the valuation of its taxable property, to be ascertained by the last preceding valuation of property for the assessment of taxes. The Treasurer of the United States, with approval of the Secretary of the Treasury, shall accept, for the purposes of this section, securities herein enumerated in such proportions as he may from time to time determine, and he may with such approval at any time require the deposit of additional securities, or require any association to change the character of the securities already on deposit.

SEC. 4. That the legal title of all bonds, whether coupon or registered, deposited to secure circulating notes issued in accordance with the terms of section 3 of this act shall be transferred to the Treasurer of the United States in trust for the association depositing them, under regulations to be prescribed by the Secretary of the Treasury. A receipt shall be given to the association by the Treasurer or any assistant treasurer of the United States, stating that such bond is held in trust for the association on whose behalf the transfer is made, and as security for the redemption and payment of any circulating notes that have been or may be delivered to such association. No assignment or transfer of any such bond by the Treasurer shall be deemed valid unless countersigned by the Comptroller of the Currency. The provisions of sections 5163, 5164, 5165, 5166, and 5167, and sections 5224 to 5234, inclusive, of the Revised Statutes respecting United States bonds deposited to secure circulating notes shall, except as herein modified, be applicable to all bonds deposited under the terms of section 3 of this act.

SEC. 5. That the additional circulating notes issued under this act shall be used, held, and treated in the same way as circulating notes of national banking associations heretofore issued and secured by a deposit of United States bonds, and shall be subject to all the provisions of law affecting such notes except as herein expressly modified: *Provided*, That the total amount of circulating notes outstanding of any national banking association, including notes secured by United States bonds as now provided by law, and notes secured otherwise than by deposit of such bonds, shall not at any time exceed the amount of its unimpaired capital and surplus: *And provided further*, That there shall not be outstanding at any time circulating notes issued under the provisions of this act to an amount of more than $500,000,000.

SEC. 6. That whenever and so long as any national banking association has outstanding any of the additional circulating notes authorized to be issued by the provisions of this act it shall keep on deposit in the Treasury of the United States, in addition to the redemption fund required by section 3 of the act of June 20, 1874, an additional sum equal to 5 per cent. of such additional circulation at any time outstanding, such additional 5 per cent. to be treated, held, and used in all respects in the same manner as the original redemption fund provided for by said section 3 of the act of June 20, 1874.

SEC. 7. In order that the distribution of notes to be issued under the provisions of this act shall be made as equitable as practicable between the various sections of the country, the Secretary of the Treasury shall not approve applications from associations in any state in excess of the amount to which such state would be entitled of the additional notes herein authorized on the basis of the proportion which the unimpaired capital and surplus of the national banking associations in such state bears to the total amount of unimpaired capital and surplus of the national banking associations of the United States. *Provided, however*, That in case the applications from associations in any state shall not be equal to the amount which the associations of such state would be entitled to under this method of distribution, the Secretary of the Treasury may, in his discretion, to meet an emergency, assign the amount not thus applied for to any applying association or associations in states in the same section of the country.

SEC. 8. That it shall be the duty of the Secretary of the Treasury to obtain information with reference to the value and character of the securities authorized to be accepted under the provisions of this act, and he shall from time to time furnish information to national banking associations as to such securities as would be acceptable under the provisions of this act.

SEC. 9. That section 5214 of the Revised Statutes, as amended, be further amended to read as follows:

SEC. 5214. National banking associations having on deposit bonds of the United States bearing interest at the rate of 2 per cent. per annum, including the bonds issued for the construction of the Panama Canal, under the provisions of section 8 of An act to provide for the construction of a canal connecting the waters of the Atlantic and Pacific oceans, approved June 28, 1902, to secure its circulating notes, shall pay to the Treasurer of the United States, in the months of January and July, a tax of one-

fourth of 1 per cent. each half year upon the average amount of such of its notes in circulation as are based upon the deposit of such bonds; and such associations having on deposit bonds of the United States bearing interest at a rate higher than 2 per cent. per annum shall pay a tax of one-half of 1 per cent. each half year upon the average amount of such of its notes in circulation as are based upon the deposit of such bonds. National banking associations having circulating notes secured otherwise than by bonds of the United States shall pay for the first month a tax at the rate of 5 per cent. per annum upon the average amount of their notes in circulation as are based upon the deposit of such securities, and afterwards an additional tax of 1 per cent. per annum for each month until a tax of 10 per cent. pen annum is reached, and thereafter such tax of 10 per cent. per annum, upon the average amount of such notes. Every national banking association having outstanding circulating notes secured by a deposit of other securities than United States bonds shall make monthly returns, under oath of its president or cashier, to the Treasurer of the United States, in such form as the Treasurer may prescribe, of the average monthly amount of its notes so secured in circulation; and it shall be the duty of the Comptroller of the Currency to cause such reports of notes in circulation to be verified by examination of the banks' records. The taxes received on circulating notes secured otherwise than by bonds of the United States shall be paid into the division of redemption of the Treasury and credited and added to the reserve fund held for the redemption of United States and other notes.

Sec. 10. That section 9 of the act approved July 12, 1882, as amended by the act approved March 4, 1907, be further amended to read as follows:

Sec. 9 That any national banking association desiring to withdraw its circulating notes, secured by deposit of United States bonds in the manner provided in section 4 of the act approved June 20, 1874, is hereby authorized for that purpose to deposit lawful money with the Treasurer of the United States and, with the consent of the Comptroller of the Currency and the approval of the Secretary of the Treasury, to withdraw a proportionate amount of bonds held as security for its circulating notes in the order of such deposits: *Provided,* That not more than nine millions of dollars of lawful money shall be so deposited during any calendar month for this purpose.

Any national banking association desiring to withdraw any of its circulating notes, secured by the deposit of securities other than bonds of the United States, may make such withdrawal at any time in like manner and effect by the deposit of lawful money or national bank notes with the Treasurer of the United States, and upon such deposit a proportionate share of the securities so deposited may be withdrawn: *Provided,* That the deposits under this section to retire notes secured by the deposits of securities other than bonds of the United States shall not be covered into the Treasury, as required by section 6 of an act entitled An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes, approved July 14, 1890, but shall be retained in the Treasury for the purpose of redeeming the notes of the bank making such deposit.

Sec. 11. That section 5172 of the Revised Statutes be, and the same is hereby, amended to read as follows:

Sec. 5172. In order to furnish suitable notes for circulation, the Comptroller of the Currency shall, under the direction of the Secretary of the Treasury, cause plates and dies to be engraved, in the best manner to guard against counterfeiting and fraudulent alterations, and shall have printed therefrom, and numbered, such quantity of circulating notes, in blank, of the denominations of $5, $10, $20, $50, $100, $500, $1,000, and $10,000, as may be required to supply the associations entitled to receive the same. Such notes shall state upon their face that they are secured by United States bonds or other securities, certified by the written or engraved signatures of the Treasurer and Register and by the imprint of the seal of the Treasury. They shall also express upon their face the promise of the association receiving the same to pay on demand, attested by the signature of the president or vice-president and cashier. The Comptroller of the Currency, acting under the direction of the Secretary of the Treasury, shall as soon as practicable cause to be prepared circulating notes in blank, registered and countersigned, as provided by law, to an amount equal to fifty per cent. of the capital stock of each national banking association; such notes to be deposited in the Treasury or in the sub-treasury of the United States nearest the place of business of each association, and to be held for such association, subject to the order of the Comptroller of the Currency, for their delivery as provided by law: *Provided,* That the Comptroller of the Currency may issue national bank notes of the present form until plates can be prepared and circulating notes issued as above provided: *Provided, however,* That in no event shall bank notes of the present form be issued to any bank as additional circulation provided for by this act.

SEC. 12. That circulating notes of national banking associations, when presented to the Treasury for redemption, as provided in section 3 of the act approved June 20, 1874, shall be redeemed in lawful money of the United States.

SEC. 13. That all acts and orders of the Comptroller of the Currency and the Treasurer of the United States authorized by this act shall have the approval of the Secretary of the Treasury, who shall have power, also, to make any such rules and regulations and exercise such control over the organization and management of national currency associations as may be necessary to carry out the purposes of this act.

SEC. 14. That the provisions of section 5191 of the Revised Statutes, with reference to the reserves of national banking associations, shall not apply to deposits of public moneys by the United States in designated depositaries.

SEC. 15. That all national banking associations designated as regular depositaries of public money shall pay upon all special and additional deposits made by the Secretary of the Treasury in such depositaries and all such associations designated as temporary depositaries of public money shall pay upon all sums of public money deposited in such associations interest at such rate as the Secretary of the Treasury may prescribe, not less, however, than one per cent. per annum upon the average monthly amount of such deposits: *Provided, however,* That nothing contained in this act shall be construed to change or modify the obligation of any association or any of its officers for the safe-keeping of public money: *Provided further,* That the rate of interest charged upon such deposits shall be equal and uniform throughout the United States.

SEC. 16. That a sum sufficient to carry out the purposes of the preceding sections of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated.

SEC. 17. That a Commission is hereby created, to be called the "National Monetary Commission," to be composed of nine members of the Senate, to be appointed by the Presiding Officer thereof, and nine members of the House of Representatives, to be appointed by the Speaker thereof; and any vacancy on the Commission shall be filled in the same manner as the original appointment.

SEC. 18. That it shall be the duty of this Commission to inquire into and report to Congress at the earliest date practicable, what changes are necessary or desirable in the monetary system of the United States or in the laws relating to banking and currency, and for this purpose they are authorized to sit during the sessions or recess of Congress, at such times and places as they may deem desirable, to send for persons and papers, to administer oaths, to summons and compel the attendance of witnesses, and to employ a disbursing officer and such secretaries, experts, stenographers, messengers, and other assistants as shall be necessary to carry out the purposes for which said Commission was created. The Commission shall have the power, through subcommittee or otherwise, to examine witnesses and to make such investigations and examinations, in this or other countries, of the subjects committed to their charge as they shall deem necessary.

SEC. 19. That a sum sufficient to carry out the purposes of section 17 and 18 of this act, and to pay the necessary expenses of the Commission and its members, is hereby appropriated, out of any money in the Treasury not otherwise appropriated. Said appropriation shall be immediately available and shall be paid out on the audit and order of the chairman or acting chairman of said Commission, which audit and order shall be conclusive and binding upon all Departments as to the correctness of the accounts of such Commission.

SEC. 20. That this act shall expire by limitation on the 30th day of June, 1914.

WHEN YOU BREAK A BILL.

The mighty rock, it stands entire,
Defying time and tempests dire.

It braves the bounding billows' shock,
Their fury does not feaze that rock.

It stands immovable until
Man comes along and twists a drill

And plugs the hole with dynamite
And sets the little fuse alight.

To move that rock is now a joke.
And why? Because that rock is broke.

An infant with a basket may
In time move all of it away.

I wish that it required a drill
And dynamite to break a bill.

I wish this ten-spot I possess
Could not be rent apart by less.

For while this bill remains entire
To spend it I have small desire.

I will not spend it, no indeed!
Unless for something that I need.

But when the blooming thing is broke
I know that it will go like smoke.

—*Chicago News.*

ADJUSTABLE COUPON CERTIFICATES OF DEPOSIT.

A Banking Device Containing Many Novel and Valuable Features.

THE Adjustable Coupon Certificate of Deposit, described below, is a novel banking device covered by patents owned by the Adjustable Coupon Corporation of Petersburg, Va. It is the outcome of an effort to work out a form of obligation to be issued by a bank to its time depositors, which would meet the many objections to the ordinary form of certificate of deposit and savings pass books. It is nothing more or less than a coupon bond or certificate, in which the coupons are manufactured, as to value, at the time of issue so as to correspond with the varying amounts deposited from time to time with the bank and evidenced by the bond or certificate itself. It is a modern substitute for certificates of deposit and savings pass books, and has the following *Distinctive Features:*

It calculates interest automatically. Shows in ten minutes the exact accrued interest of the bank at any time. Provides the bank a voucher for every interest payment. Prevents errors and dishonesty among employes. Enables the depositor to collect interest without going to the bank. Solves banking by mail. Enables the issuance of certificates or bonds with interest coupons, on one form, for any amount, at any rate, for any term, in three minutes.

These claims place this device in a class by itself and should make it a subject of vital interest and careful study to every banker. The results indicated have been long sought and variously attempted, but never before satisfactorily accomplished.

For a fuller understanding of the subject and a more adequate appreciation of the merits of this device, the following description is submitted.

What It Is.

The Adjustable Coupon Certificate of Deposit, the patents on which are controlled by the Adjustable Coupon Corporation, consists of a booklet of the size of an ordinary bank draft, and contains four essential parts:

First—*A stub or signature card,* to be detached and retained by the bank as its memorandum of the transaction. This signature card contains a receipt for the Coupon Certificate of Deposit, and gives the name and address of the depositor. It also shows the date and amount of the certificate, and gives all the information necessary for the records of the bank in regard to the same.

Second—*A certificate or bond,* made payable to a named party or to bearer, in such form as the bank prefers. This certificate contains every safety device known to banking, for its protection.

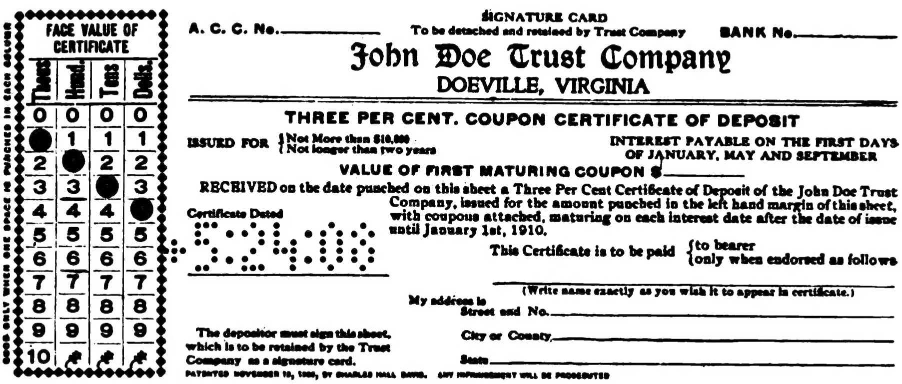
Third—*The coupons,* which are manufactured as to value at the time the certificate is issued, so that the value of the coupon can vary with the face value of the certificate. These coupons are on a one per cent. basis, there being three coupons for each year with a three per cent. certificate. and four coupons for each year with a four per cent. certificate, etc. These coupons are bank checks, payable to bearer, with the signature of the cashier or other officer engraved or lithographed thereon. Each coupon is a separate sheet, of the same size as the certificate. These coupons are superposed, in inverse order, so that the bottom coupon is the one first payable.

Fourth—*The pink sheet,* which evidences the amount to be paid by the bank to the Adjustable Coupon Corporation for the privilege of using the device. This is the last sheet of the booklet, and, like the stub, is to be detached before the certificate is delivered to the depositor.

Form.

As to form, the Adjustable Coupon Certificate of Deposit is substantially as follows: It consists of a number of

sheets of paper about the size and shape of an ordinary bank draft, arranged in the form of a booklet and bound together at the left-hand end. There is near the binding a perforated line by which the sheets may be easily detached. Near the left-hand end of each sheet embraced in the form is a schedule of figures, consisting of two or more vertical columns, running numerically from 0 to 9, except the column at the extreme left, which extends to 10. This schedule is headed with the words "Face Value of Certificates," and each vertical column of figures has a sub-head, denoting the relative value of the figures in the respective columns. For example, the first column, beginning at the right-hand side of the schedule, is headed "dollars," the second, running to the left, is "tens," the third is "hundreds," the fourth "thousands," and so on. This schedule may be made to embrace as many columns of figures as desired, even running up into the millions.



Form 1.—Signature Card.

These schedules at the left-hand end of the several sheets of the form are identical and are so superposed that the figures register. They are intended to record or indicate the face value of the certificate, or, in other words, the amount for which the certificate is issued. This result is accomplished by punching out with a simple punch the figures denoting the desired amount. For example, if it is desired to issue a certificate for $1234, it would be necessary to punch out the figure "one" in the thousands column, "two" in the hundreds column, "three" in the tens column, and "four" in the dollars column, thereby denoting one thousand, two hundreds, three tens and four ones, or $1234. As these figures are superposed, the stroke of the punch at the same time records the same amount on every sheet of the form; that is to say, the schedule at the left-hand end of each sheet in the form will have punched out one "thousand," two "hundreds," three "tens" and four "ones," or $1234, thus showing on the several sheets of the form the amount for which the certificate is issued.

At the left-hand side of this schedule on each sheet are the words "Good only when one space is punched in each column," thereby indicating that in order to make the certificate valid, one figure—and only one—must be punched in each column.

Near the middle of each sheet is a blank space for the date. These spaces are also superposed in such a manner that the date may be punched through the whole booklet by one stroke of the dating punch, thus recording instantly on every sheet in the form the date of the certificate; or, in other words, the date on which the certificate is issued. As an illustration, should the certificate be issued on May 24, 1908, this date would be indicated by punch-

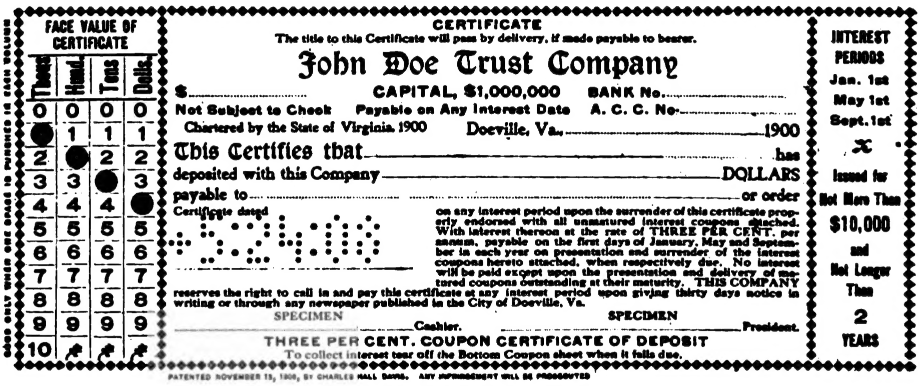
ing through all the sheets the figures 5-24-08, these figures being punched in a blank space under the words "Certificate Dated," showing that the certificate was issued in the fifth month (May) on the 24th day in the year 1908. This dating punch is a simple and inexpensive mechanical contrivance which can be properly set every morning for the day and locked. The same result can be obtained, by the exercise of a little more care, with the ordinary check punch.

The individual sheets are as follows: The first or uppermost sheet is styled the "Signature Card," and is substantially in the form and words shown in Form 1.

It will be noted that this "Signature Card" bears the serial number, the date and the amount of the certificate, whereby it may be identified, and its connection with the certificate established. It is headed "Signature Card," bears the instruction "To be detached and retained by the Company," gives the name of the bank, the rate of interest paid, the maximum, both of the amount and of the time, for which the certificate may be issued, names the dates on which the interest coupons mature or become payable, states the value of the first maturing coupon, and contains a receipt, acknowledging the delivery of the certificate described, to the depositor, by the Company. It also contains the two statements, in the alternative, that the certificate is to be paid "To bearer" or "Only when endorsed as follows," one of which is to be erased, thereby showing whether the title to the certificate is to pass by delivery or by endorsement. It contains, also, the space for the signature and address of the party to whom the certificate is issued, which space must be filled in by the depositor, thus furnishing the bank a receipt for the certificate and a signature card for future reference.

The second sheet of the form is the Certificate proper, and is substantially in the form and words shown in Form 2.

It should be borne in mind that this, as well as all other sheets embraced in the complete form, bears the same punched date, and has the same figures punched in the schedule at the left, as the first sheet or signature card just described.


FACE VALUE OF CERTIFICATE
Thous. Hund. Tens Dolls.

CERTIFICATE
The title to this Certificate will pass by delivery, if made payable to bearer.
John Doe Trust Company
$.................. CAPITAL, $1,000,000 BANK No..................
Not Subject to Check Payable on Any Interest Date A. C. C. No..................
Chartered by the State of Virginia 1900 Doeville, Va.,..................1900
This Certifies that.................. has
deposited with this Company.................. DOLLARS
payable to.................. or order
Certificate dated
on any interest period upon the surrender of this certificate properly endorsed with all unmatured interest coupons attached. With interest thereon at the rate of THREE PER CENT. per annum, payable on the first days of January, May and September in each year on presentation and surrender of the interest coupons hereto attached, when respectively due. No interest will be paid except upon the presentation and delivery of matured coupons outstanding at their maturity. THIS COMPANY reserves the right to call in and pay this certificate at any interest period upon giving thirty days notice in writing or through any newspaper published in the City of Doeville, Va.
SPECIMEN .... Cashier. SPECIMEN .... President.
THREE PER CENT. COUPON CERTIFICATE OF DEPOSIT
To collect interest tear off the Bottom Coupon sheet when it falls due.

INTEREST PERIODS
Jan. 1st
May 1st
Sept. 1st
X
Issued for Not More Than $10,000 and Not Longer Than 2 YEARS

PATENTED NOVEMBER 13, 1906, BY CHARLES HALL DAVIS. ANY INFRINGEMENT WILL BE PROSECUTED

Form 2.—Certificate.

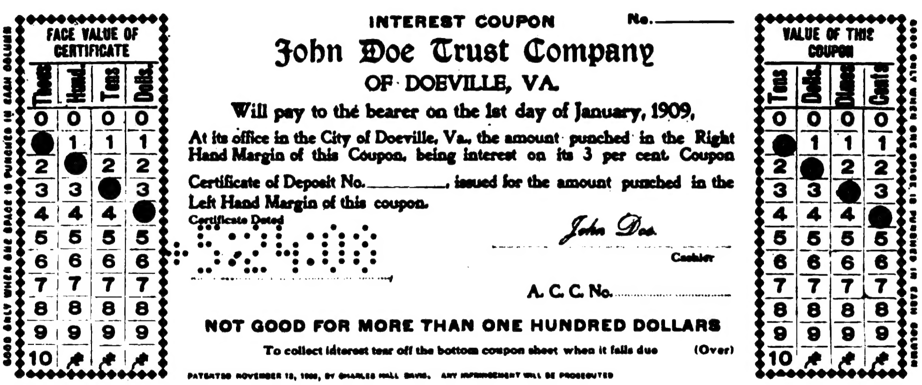
This certificate calls attention upon its face to the fact that the title will pass by delivery, if made payable to bearer. It contains the name and capital stock of the bank, the bank's serial number, the phrase "Not subject to check," and states when the certificate is payable. It should be filled in at the time of issue by writing, in the proper space provided for the purpose, the amount for which the certificate is issued, in both figures and words, the date, the name of the depositor, and the name of the payee. Then follow

the terms and conditions on which the certificate is issued. These may be varied to suit the tastes or requirements of any institution. The certificate states the rate of interest paid, and contains the instruction "To collect interest, tear off the bottom coupon sheet when it falls due."

At the right-hand end of the certificate are the words "Interest Periods, Jan. 1st, May 1st, Sept 1st," showing the several dates on which the interest coupons mature and become payable. Also the words "Issued for not more than $10,000, and not longer than two years," both of which conditions may be varied to suit the tastes and needs of the institution.

cate bearing this serial number, and this serial number of the certificate appears on every sheet of the device, for the purpose of identification. The coupons also bear a coupon number, indicating the serial number of the coupon, to show whether the coupon is the first, second, third, fourth, etc., attached to that certificate. So that, in detaching the coupon, the holder of the Coupon Certificate of Deposit can always detach the coupon bearing the lowest coupon serial number, as these coupon serial numbers show the order in which the coupons mature. In addition, the face of the coupon shows its due date, or the time at which it is payable.

On the coupons, also, the name and


GOOD ONLY WHEN ONE SPACE IS PUNCHED IN EACH COLUMN

FACE VALUE OF CERTIFICATE

Thous	Hund	Tens	Dolls
0	0	0	0
	1	1	1
2		2	2
3	3		3
4	4	4	
5	5	5	5
6	6	6	6
7	7	7	7
8	8	8	8
9	9	9	9
10			

INTEREST COUPON No. ______

John Doe Trust Company
OF DOEVILLE, VA.

Will pay to the bearer on the 1st day of January, 1909,

At its office in the City of Doeville, Va., the amount punched in the Right Hand Margin of this Coupon, being interest on its 3 per cent. Coupon Certificate of Deposit No. ________, issued for the amount punched in the Left Hand Margin of this coupon.

Certificate Dated

John Doe
Cashier

A. C. C. No. ....

NOT GOOD FOR MORE THAN ONE HUNDRED DOLLARS

To collect interest tear off the bottom coupon sheet when it falls due (Over)

PATENTED NOVEMBER 13, BY CHARLES HALL DAVIS. ANY INFRINGEMENT WILL BE PROSECUTED

VALUE OF THIS COUPON

Tens	Dolls	Dimes	Cents
0	0	0	0
	1	1	1
2		2	2
3	3		3
4	4	4	
5	5	5	5
6	6	6	6
7	7	7	7
8	8	8	8
9	9	9	9
10			

Form 3.—Interest Coupon.

The third sheet, and the sheets following, are Interest Coupons, and are, substantially, in the form and words shown in Form 3.

The interest coupons show the same punched date as the signature card and the certificate, above described, the date punch having cut through all the sheets at the same time. These coupons also have punched in the schedule at their left-hand end the same figures as were punched in the signature card and in the certificate; thereby showing on each coupon and on every sheet of the device the face value for which the certificate was issued. The coupons also contain the serial number of the certificate, thereby identifying them as having been detached from the certifi-

location of the bank of issue are given, and these coupons are arranged in inverse order, so that the first maturing coupon, or coupon No. 1, is at the bottom of the booklet, and the last maturing coupon is next to the certificate. On the face of the coupon appears the instruction for collecting interest, namely, "To collect interest, tear off the bottom coupon sheet when it falls due," and at the lower right-hand corner is the word "Over," indicating that further instructions are given on the back of the coupon.

At the right-hand end of each coupon there is a schedule of figures, similar in form to the schedule found at the left-hand end of the coupons, the signature card and of the certificate proper, as

described above. This schedule of figures at the right-hand end of the coupon consists of vertical columns of figures, arranged just like those in the schedule at the left-hand end, except that the headings of the individual columns at the right-hand end vary from the headings of the individual columns at the left-hand end, as described below. These schedules at the right-hand end of the coupons are superposed, so that the figures register in the same manner as in the schedules at the left-hand end; that is, when any figure in the schedule at the right-hand end of the first coupon is punched out, the stroke of the punch cutting through this coupon also cuts through all the other coupons (except the bottom coupon, which is explained below), and thereby cuts out the same figure in the same column in each coupon.

Above this schedule of figures at the right-hand end of the coupon are the words "Value of this coupon," and each vertical column of figures has a subhead, denoting the relative value of the figures in the respective columns. For example, reading from right to left, the extreme right-hand column is headed "Cents," the second column is headed "Dimes," the third column is headed "Dollars," and the fourth column is headed "Tens."

There is the same number of columns in the schedules at the two ends of the form.

By a comparison of the headings of the columns at the two ends of the form, it will be seen that the value of the heading of each column at the right-hand end indicates just one per cent. of the value of the heading of the corresponding column of the schedule at the left-hand end. That is to say, reading from left to right, "Tens," the heading of the first column at the right-hand end, is one per cent. of "Thousands," the heading of the first column at the left-hand end; "Dollars," the heading of the second column at the right-hand end, is one per cent. of "Hundreds," the heading of the second column at the left-hand end; "Dimes," the heading of the third column at the right-hand end, is one per cent. of "Tens," the heading of the third column at the left-hand end; and "cents," the heading of the fourth column at the right-hand end, is one per cent. of "Dollars," the heading of the fourth column at the left-hand end.

Because of the fact that the figures at the right-hand end of the coupons register and are superposed, it follows that when a figure is punched out of one coupon at the right-hand end, the same thrust of the punch cuts through all the coupons (except the bottom coupon, which is hereinafter explained), and thus the same figures, in the same columns, at the right-hand end of all the coupons are cut out.

Furthermore, because of the fact that the headings of the columns at the right-hand end are just one per cent. of the headings of the corresponding columns at the left-hand end, it follows that if the same figures are punched in the corresponding columns at the two ends of the form, the value indicated by the schedule at the right-hand end will be just one per cent. of the amount or value indicated by the schedule at the left-hand end.

It is stated on the face of the coupon that the bank will pay to bearer the amount punched in the right-hand margin or end of the coupon, and that this amount is interest on the Coupon Certificate of Deposit, bearing a certain serial number, which is issued for the amount punched in the left-hand margin of the coupon. The coupon has the name of the cashier or other officer of the bank engraved upon it, and inasmuch as, in the instance shown above, the maximum value of the certificate is $10,000, it follows that the maximum value of the coupon is one per cent. of $10,000, or $100. In consequence, as an additional safeguard there is stamped across the face of the coupon, in indelible ink, "Not good for more than one hundred dollars."

At the extreme right of the schedule of figures at the right-hand end of the coupon appear the words "Good only

when one space is punched in each column," indicating that in order to make the coupon valid it must have one space, and only one space, punched in each column.

Illustration.

In the illustration given, the certificate bears 3 per cent. interest, and consequently has three coupons, maturing four months apart, or, on January 1, May 1 and September 1, respectively. Instead of paying 3 per cent. once a year, the bank pays 1 per cent. three times a year. Should the bank pay interest at the rate of 4 per cent. per annum, then there would be four coupons to each year, maturing, respectively, on January 1, April 1, July 1 and October 1; and so for any rate of interest. The number of coupons for each year is determined by the rate of interest paid, and coupons can be attached covering as many years as desired. As the coupons are arranged on a one per cent. basis, there will be as many coupons for each year as there are units or fractions thereof in the rate of interest. The coupons, as above stated, are arranged in inverse order, the first maturing coupon being at the back or bottom of the booklet, and the last maturing coupon being placed next to the certificate. If the bank is paying 3 per cent. and should issue a certificate with coupons attached for five years, the booklet would then consist of a signature card, a certificate and fifteen coupons or three coupons for each of the five years; if it wishes coupons attached for ten years, then it would have the certificate with thirty coupons attached, or three coupons for each of the ten years. Should the bank be paying 4 per cent. interest, then for a Coupon Certificate of Deposit with coupons for five years, it would have the certificate with twenty coupons attached, or four coupons for each of the five years. If it paid 4 per cent., and wished to have coupons attached for ten years, then the booklet would consist of the certificate with forty coupons attached, or four coupons for each of the ten years, etc.

Interest Automatically Calculated.

The arrangement of the two schedules of figures at the two ends of the coupon is really the principal feature of this whole device. For a full understanding of the device, the reader should appreciate fully that the headings of the columns at the right-hand end indicate one per cent. of the headings of the columns at the left-hand end. He should further appreciate that the coupons are used on a one per cent. basis; that is, if the bank pays 3 per cent. interest, it pays this interest by paying one per cent. three times a year, and each coupon represents this one per cent payment. In consequence of this arrangement, if the certificate is issued for $1,234, then this face value of the certificate is indicated at the left-hand end of the signature card, of the certificate and of the coupons, by punching the figure 1 in the "Thousands" column, the figure 2 in "Hundreds" column, the figure 3 in the "Tens" column and the figure 4 in the "Ones" column; indicating the face value of the certificate as 1 thousand, 2 hundred, 3 tens and 4 units, or $1,234. These figures are cut through all the sheets at the same time, and, consequently, the face value of the certificate is indicated at the left-hand end of all the sheets of the book.

Now, if the same figures are punched in the corresponding columns, through the schedule at the right-hand end of the coupons, it follows necessarily that the amount so indicated will be one per cent. of the amount indicated by the figures punched out in the schedule of figures at the left-hand end; that is to say, in the instance cited, where the value of the certificate is $1,234, the interest on this amount is calculated by simply punching out in the schedule of figures at the right-hand end the figure 1 in the "Tens" column, the figure 2 in the "Dollars" column, the figure 3 in the "Dimes" column and the figure 4 in the "Cents" column; thereby indicat-

ing that the value of the coupon is 1 ten, 2 ones, 3 dimes and 4 cents, or $12.34, and it will be noted that $12.34 is one per cent. of $1,234.

When these figures are cut through the columns of figures at the right-hand end of the coupon, the same thrust of the punch cuts through all the coupons (except the bottom coupon, which is cut separately and is explained below;) in consequence, the same value, or $12.34, is indicated by the figures punched at the right-hand end of all the coupons; this $12.34 is necessarily one per cent. of $1,234 on account of the arrangement of the headings of the columns at the two ends. In consequence, the interest calculation is absolutely automatic (except in the bottom coupon, which is explained below), and is calculated at the time of the issue of the certificate for the life of the certificate, *by simply punching the same figures in the corresponding columns at each end of the booklet.*

How Number of Coupons for Each Year is Determined.

It should be further noted that the number of coupons for each year is decided by the number of units, or fractions of a unit, in the rate of interest paid by the bank. That is to say, as above stated, on a 3 per cent. rate there will be three coupons to a year; on a 4 per cent. rate there will be four coupons to a year, etc. This same principle applies even when a fractional rate is paid. For instance, if 3 1-2 per cent. is the rate paid by the bank, then there will be four coupons for each year. The columns at the right-hand end of the coupons will be headed, on three of the coupons maturing in each year, "Tens," "Dollars," "Dimes," "Cents," as above described; but on one of the coupons maturing in each year, these columns at the right-hand end will be headed "Fives," "Halves," "Nickels," "Half-cents." That is, the headings of the columns at the right-hand end of each fourth coupon will be one-half of the headings of the columns at the right-hand end of the other three coupons maturing in the same year; otherwise, the schedules of figures at the right-hand end will be identical.

In consequence of this, in the illustration given above, if the rate were 3 1-2 per cent., the punch would cut through the right-hand end of all the coupons (except the bottom coupon, which is explained below) at the same time; there would be four coupons for each year; on three of these coupons the value of the coupon would be indicated as 1 ten, 2 dollars, 3 dimes and 4 cents, or $12.34; on the fourth coupon for each year the value of the coupon would be indicated as 1 five, 2 halves, 3 nickels and 4 half-cents, or $6.17. So that the bank paying $3\frac{1}{2}$ per cent. interest would pay one per cent. three times a year (and one per cent. of $1,234 is $12.34) and its fourth payment of interest during the year would be just half as much, or $6.17, as indicated by the fractional coupon.

In the same way, the device can be entirely automatic, to suit any rate of interest that may be desired to be paid.

Bottom Coupon.

In punching the value of the bottom or first maturing coupon, a different method has to be observed. This coupon, like all the others, has the face value of the certificate punched in the schedule of figures at its left-hand end. The value of the coupon will, however, usually be for a different amount from the other coupons. This difference in amount grows out of the fact that the certificates, being issued from day to day, and the interest coupons maturing at specified dates, the first maturing coupon, or bottom coupon, must represent the interest only from the date of deposit to the next interest date.

Should the deposit be made on an interest date, then the bottom coupon would represent the interest from that interest date to the next interest date, and would be punched along with the other coupons, so as to indicate the value of the coupon as one per cent. of the value of the deposit; but, should the

deposit be made on any date other than an interest date, then the bottom coupon must be punched for an amount representing the interest on the deposit for the number of days between the date of the deposit and the next interest date.

In the illustration given, if the deposit was made on May 24, 1908, with a 3 per cent. certificate, then the next interest date would occur on September 1. In consequence, the bottom coupon must represent the interest on \$1,234, the amount of the deposit, for the number of days between May 24, the date of deposit, and September 1, the next interest date, at 3 per cent. The number of days in this case will be 99; the interest on \$1,234 for 99 days will be \$10.18, and, consequently, the bottom or first maturing coupon would be punched in its schedule of figures at its right-hand end to indicate the value of \$10.18, instead of a value of \$12.34 as in the other coupons. This would be done by punching the schedule of figures at the right-hand end of the bottom coupon separately from the other coupons, and in this case you would punch in the schedule of figures at the right-hand end of the bottom coupon the figure 1 in the "Tens" column, the figure 0 in the "Dollars" column, the figure 1 in the "Dimes" column and the figure 8 in the "Cents" column.

Owing to the fact that the interest is payable at specified dates, and that deposits are made from day to day, thereby necessitating the calculation of interest on this bottom or first maturing coupon separately from the other coupons, there would appear to be some difficulty in calculating this interest. This difficulty is entirely obviated by an interest card, which is also issued by the Adjustable Coupon Corporation, for use in connection with this device, and which is protected by patents or copyright already granted or applied for. By means of this interest table the bank is enabled to immediately ascertain both the number of days before the next interest date and the amount of interest on the deposit up to that time at the given rate. The card, which is about 12 by 18 inches in size, and which is hung up in the bank, is so arranged that, by simply finding the given date on the card and reading from left to right across the card, as one would naturally read, the number of days between the given date and the next interest period is shown instantaneously. By reading across the card from left to right, on the same line, the interest on the amount deposited, for this number of days, is also immediately ascertained; so that the calculation of interest on this bottom or first maturing coupon is practically automatic, and a child can ascertain it.

> The face value of this interest coupon will be paid at its maturity, or at any time thereafter, but this coupon is never good for more than its face value as interest is not paid on interest.
>
> The title to this Coupon will pass by delivery.
>
> NO COUPON WILL BE PAID BY THE COMPANY
>
> (*a*)—Which is punched for more than one per cent. of the face value of the certificate from which it was detached. This face value is punched on the other side of this Coupon.
>
> (*b*)—Which matured prior to the date of issue of the certificate from which it was detached. This date is punched on the other side of this Coupon.
>
> (Over)

Form 4.—Reverse Side of Coupons.

Having ascertained the value of this bottom or first maturing coupon, this value is entered on the stub or signature card, which is retained by the bank, thereby making its records complete.

The matter on the back of all the coupons is identical, and substantially in form and words as shown in Form 4.

The last, or bottom, sheet of the booklet is styled the "Pink Sheet," and is substantially in the form and words shown in Forms 5 and 6.

GOOD ONLY WHEN ONE SPACE IS PUNCHED IN EACH COLUMN

FACE VALUE OF CERTIFICATE

Thous.	Hund.	Tens	Dolls.
0	0	0	0
	1	1	1
2		2	2
3	3		3
4	4	4	
5	5	5	5
6	6	6	6
7	7	7	7
8	8	8	8
9	9	9	9
10			

AGREEMENT WITH ADJUSTABLE COUPON CORPORATION.
To be detached before delivery of Certificate to Depositor. See other side

John Doe Trust Company
OF DOEVILLE, VA.

In consideration of its being permitted to use and issue the attached form of Coupon Certificate of Deposit hereby promises to pay to the Adjustable Coupon Corporation at Petersburg, Va., or its assigns in lawful money of the United States of America, on demand, at any time after the issue by it of said Coupon Certificate of Deposit, an amount equal to one-tenth of one per cent. of the face value of the same; which face value it guarantees is correctly shown by the figures punched in the left-hand margin of this sheet.

Certificate Dated

And it further agrees that the said Company or its assigns or its or their representatives shall, at any reasonable time, be allowed to inspect the stub from which said Coupon Certificate of Deposit was detached, or such records of the said Company as may be necessary for it to ascertain that the amount punched in the left-hand margin of this sheet correctly states the face value of the said Coupon Certificate of Deposit from which this sheet was detached.

This sheet was detached from A. C. C. No.__________
Coupon Certificate of Deposit Bank No __________

JOHN DOE TRUST COMPANY.
OF DOEVILLE, VA.

(Over)

PATENTED NOVEMBER 15, 1906, BY CHARLES HALL DAVIS. ANY INFRINGEMENT WILL BE PROSECUTED

Form 5.—Front of Pink Sheet.

Royalty for Use of This Device Automatically Calculated.

This Pink Sheet has the same schedule of figures at the left-hand end as the other sheets, but has no schedule at the right-hand end, as is the case with the coupons. It is placed at the bottom of the booklet, is about one inch shorter than the other sheets for convenience in handling, and is to be detached before the Coupon Certificate of Deposit is delivered to the depositor. When the certificate is issued, the pink sheet will therefore show at its left-hand end the face value of the certificate, and it will also show, under the heading "Certificate dated," the date of issue of the certificate. It also shows the serial number of the certificate.

This pink sheet sets forth the terms and conditions on which the use of this device may be had by the bank. It is to be detached from the Coupon Certificate of Deposit when the same has been properly executed, and before delivery to the depositor. It is retained by the bank and forwarded to the Adjustable Coupon Corporation as a voucher in the settlement with that company.

By the terms of this pink sheet the bank using the device agrees, in consideration of its being permitted to use and issue the same, to pay to the Adjustable Coupon Corporation, on demand at any time after the issue of the

Notice to John Doe Trust Company

Punch this sheet along with the Coupon Sheets. Then detach the same before delivering the Coupon Certificates of Deposit to the Depositor. Carefully preserve this sheet until one hundred sheets similar to this have been detached from Coupon Certificates of Deposit. Then forward them to the Adjustable Coupon Corporation, Petersburg, Va., together with a New York Check or Post-Office Money Order for an amount equal to one-tenth of one per cent. of the aggregate face value of the 100 Coupon Certificates of Deposit from which such sheets were detached.

Notice to All Other Parties

In case this sheet is not torn off by the John Doe Trust Company, of Doeville, Va., before the delivery of the attached Coupon Certificate of Deposit, kindly tear it off and return it at once to said Company.

This sheet has no value in the hands of outside parties.

(Over)

Form 6.—Back of Pink Sheet.

said Coupon Certificate of Deposit, an amount equal to 1-10 of 1 per cent. of the face value of the said Coupon Certificate of Deposit, which face value it guarantees is correctly shown by the figures punched in the left-hand margin of the pink sheet.

In other words, the banks only pays for the use of the device when and as the same is used. It pays nothing unless it uses the device; it pays nothing until it uses the device, and it then pays in proportion to the use.

The royalty charged for the use of the device is 1-10 of 1 per cent. of the amount for which the certificate is issued. That is to say, it amounts to a payment of $1.00 for every $1,000 in value of certificates issued after the same have been issued, and after the money is placed with the bank. If the bank obtains 1000 forms of Coupon Certificate of Deposit, it must return to the Adjustable Coupon Corporation 1000 pink sheets, which bear the serial numbers of the certificates. The amounts indicated in the left-hand margin of these pink sheets are then added. Point off three places from the right of this total, and the result shows what the bank owes for the use of this device. It will thus be seen that the calculation of the royalty paid for the use of the device is entirely automatic.

This last sheet is referred to as a pink sheet simply because the first specimens, or samples, of the device had this sheet printed on pink paper, and in the literature in regard to the device the name has been adopted.

The bank can make its certificates as simple or as elaborate as it sees fit, the Adjustable Coupon Corporation acting simply as an agent to transmit its order to the engraver or lithographer, and having no other interest in the cost of printing or engraving the Coupon Certificate of Deposit.

Further Explanation of Methods of Using Coupon Certificates of Deposit.

Having thus considered somewhat in detail the mechanical features of this device, let us consider more specifically the manner of issuing or putting into use this Coupon Certificate of Deposit. The steps in this process will be as follows:

First, detach and cancel all coupons that have become due.

Next, have the prospective depositor write on the signature card, in the space provided for that purpose, his name and post-office address. Then punch in the schedule at the left-hand end of the form and through the booklet the figures denoting the amount for which the certificate is to be issued. If we may use again the illustration heretofore referred to, suppose the certificate is to be issued for $1,234. Punch out the figure 1 in the "Thousands" column, the figure 2 in the "Hundreds" column, the figure 3 in the "Tens" column and the figure 4 in the "Ones" column; thus denoting that the amount or face value of the certificate is $1,234. This schedule being superposed upon similar schedules on the other sheets embraced in the form, that same amount will be, at the same time, recorded on the second sheet, which is the certificate proper, and on all the coupons and on the pink sheet.

Next, turn back the signature card and complete the certificate proper by writing in the spaces provided for that purpose the date, the name of the depositor, the amount or value of the certificate, in words and figures, and the name of the payee. The certificate is to be signed by the proper officer or officers.

Next, turn back the certificate, the pink sheet and the bottom coupon, and through the schedule at the right-hand end of the remaining coupons punch the same figures in the corresponding columns as were punched in the schedule at the left-hand end, that is to say, 1 in the "Tens" column, 2 in the "Dollars" column, 3 in the "Dimes" column and 4 in the "Cents" column. This determines the value of each coupon, which, in this case, is $12.34 It will be noticed that this value is one per cent. of the face value of the certificate

itself; in other words, the value of each coupon is one per cent. of the value of the certificate to which it is attached. This value of the coupon is the interest on the principal or face of the certificate for one interest period, and is automatically calculated, merely by punching the same figures in the schedule at the right-hand end as were punched in the schedule at the left-hand end, except on the bottom or first maturing coupon, which is explained elsewhere.

Attention has already been called to the fact that there are as many coupons to the year as there are units or fractions thereof in the rate of interest, and that each coupon has the value of one per cent. of the principal or value of the certificate. A certificate bearing three per cent. interest has three coupons to the year, each being for one per cent. of the face value of the certificate and representing the interest on the principal for one-third of a year. Herein lies one of the characteristic features of this device, and it will readily be seen how absolutely simple is the matter of interest calculations. Being automatic, a child can make the calculations as accurately as an experienced person. The coupons being properly arranged in the mechanical make-up of the form, there is nothing to be done when the certificate is issued in order to automatically calculate the interest for the life of the certificate, except to punch the same figures in the schedules at the two ends of the form. This general statement is subject to one modification: the bottom or first maturing coupon will usually be for a different amount from the others, as previously stated. This grows out of the fact that the certificates, being issued from day to day, the first maturing coupon should represent only the interest from date of issue to the next succeeding interest date.

This difficulty is obviated by the use of the interest table before explained, which has been prepared for this specific purpose. This table will show at a glance the number of days between the date of deposit and the next interest date and the interest on the amount of the certificate from date of issue to the next interest date. This will be the value of this first maturing coupon, and the amount should be punched therein. This amount can never be more than one per cent. of the face value of the certificate, and will usually be less than that amount, as just indicated.

Next, write on the signature card, in the space provided for that purpose, the value of the bottom or first maturing coupon, so as to complete the record to be preserved by the bank.

Next, punch the date in the space provided for that purpose, and under the words "Certificate dated," through all the sheets of the booklet. This is done by one thrust of the dating punch. In the illustration given, the figures 5-24-08 appear on each sheet.

Lastly, detach the signature card, to be preserved by the bank for its record and for future reference. Detach also the pink sheet, to be used in settlement with the Adjustable Coupon Corporation, and deliver to the depositor the certificate of deposit, with the coupons attached, and with all interest calculations completed for the life of the certificate.

It will thus be seen that every step in the process of the issuing of these certificates is absolutely simple, that they provide every safeguard, and that error is practically out of the question. The whole process requires but a few moments for its completion, and saves ultimately a large amount of labor.

Advantages Over Old Forms.

For a better understanding of the results that will follow the use of this device, it may be well to compare it in its principal features with the old form of certificate of deposit and the savings pass book for which it is designed to furnish a substitute.

The signature card, which is retained by the bank at the time of issue furnishes every item of information necessary for a complete record, and from it the records can be correctly made at

leisure. This is an advantage not possessed by any other form. As a matter of fact, other forms of evidence of deposit are sometimes issued without the proper entry being made at the time, and in many cases, as no memorandum is left behind, it is afterwards impossible to ascertain the necessary facts. For example, when an old form of certificate is issued, if the entry is not made on the register at the time, and the depositor is allowed to take the certificate away, all evidence of the transaction has passed out of the hands of the bank, and unless the matter can be recalled by memory in making up the records of the day, the accounts will be incomplete and incorrect. The same is true in the case of the savings pass book, should the bank fail to retain a duplicate deposit ticket.

Such errors are impossible in the case of the Coupon Certificate of Deposit, because the signature card, which contains all the information, is filled out and executed at the time that the certificate is issued. It furnishes, moreover, the signature of the depositor, and may be filed for reference at any future time.

Now, to follow this analogy, the old form of certificate and the savings pass book are practically useless in the hands of the depositor, except as an evidence that he has money deposited in a certain institution. The savings pass book is not negotiable, cannot be used as collateral, does not indicate in any way the amount of interest that will become due, nor furnish any means of collecting that interest without returning the book to the bank, where a tedious and difficult calculation must be made. The same observations will, in the main, hold good concerning the old form of certificate of deposit. It has nothing to represent the interest, and in order to collect the same, the depositor must either take the certificate to the bank in person, or send it with a power of attorney, both of which methods are inconvenient. It is not easily negotiable. It cannot be readily sold and transferred, because the amount of interest is undetermined.

Other forms of evidence of deposit are open to similar objections, not one of them having heretofore proven adequate, convenient or satisfactory. All of these objections are obviated by the use of the Adjustable Coupon Certificate of Deposit. The interest being represented by a separate piece of paper (the interest coupon), it may be easily collected when due, without going to the bank. The coupons are perfectly negotiable; they are in effect bank drafts, payable to bearer, and may be used wherever it is convenient. If desired, their value can also be anticipated. They may be used before maturity, as collateral, or they may be discounted. The bank, in that case, is absolutely protected, as the certificate can be cashed only when presented with all unmatured interest coupons attached.

The certificate itself is easily negotiable, because the interest is always determined, and can therefore be readily provided for. The certificate may also be used as collateral, or may be sold and transferred, with the greatest facility.

It will thus be seen that this evidence of deposit is most convenient in the hands of the depositor, being, both as to principal and interest, negotiable and easily realized upon in case of need, and saving him also the trouble and annoyance of going to the bank when the interest is to be collected. The interest being clearly evidenced by the interest coupons, there is no question between the bank and the depositor as to the exact amount of interest that will become due. In fact, every step and every feature of the transaction is perfectly clear, simple and convenient. All business relative thereto may be readily transacted by mail, and the depositor can do business with a bank a thousand miles away as conveniently as with one at hand. This feature solves the problem of banking by mail. When the interest coupons become due, they may be detached by the depositor and collected in any way that may be most convenient to him. When they have found

their way back to the bank, they are paid in the regular course of business like other checks, and the bank is thereby furnished with a voucher for every interest payment. This prevents both error and fraud in the payment of interest. These redeemed coupons also furnish all the necessary information for the records of the bank, and thus prevent errors in bookkeeping.

At this point should be emphasized a very striking advantage which this Adjustable Coupon Certificate of Deposit furnishes to the bank over any other form heretofore used. The interest being automatically calculated at the moment of issue, and represented by the interest coupons attached to the certificate, there is no further trouble or annoyance with interest calculations. This saves the bank a very large amount of work, with its consequent liability to error, and differences which may arise with the depositor in regard to the amount of interest due.

The old forms of certificate and savings pass book, as to their interest features, present to the bank almost insuperable difficulties. The necessary interest calculations are very numerous, perhaps quarterly or semi-annual on every deposit outstanding. These are for odd amounts, usually for uneven time, and unusual rates, making the calculations tedious, difficult and almost impossible, except to an expert. This entails a vast amount of work, making necessary an increase in the clerical force.

All these difficulties and objections are eliminated by the use of the Adjustable Coupon Certificate of Deposit. With that the interest calculations are complete at the moment of issue, and never rise up to trouble the bank afterwards. The certificates, themselves, and the interest coupons, are cashed like checks, and with equal ease. This feature alone will save banks in labor, and the possibility of error and misunderstanding, many times what the use of the device costs. Moreover, the advantage to the bank of having fixed dates for the payment of interest can hardly be overestimated. It enables the bank to reduce its clerical force, as the large volume of interest payments are made on a few specified days of the year, and obviates the necessity of constantly keeping on hand a large cash reserve for the payment of interest from day to day.

Bookkeeping Greatly Simplified.

Special attention has not yet been called to one very important feature of this device, and that is the matter of bookkeeping. The Adjustable Coupon Corporation has provided a Certificate Register, by means of which the most complete record may be kept with a minimum of labor. It not only shows at any time the total amount of certificates outstanding, but the amount of interest accrued on outstanding certificates may be determined in a few moments by a very simple process. This desirable result has never heretofore been attained. In any adequate statement of the financial condition of a bank, the amount of interest owing on certificates should be shown. By the old method, this would necessitate an enormous amount of work. It could only be even approximated by making an actual calculation of interest due on each certificate outstanding. In any considerable volume of business this would require days and perhaps weeks, and the employment of a larger clerical force than would otherwise be necessary, and at best the results obtained are only an approximate of the true condition.

By the process employed in connection with the Adjustable Coupon Certificate of Deposit, the amount of interest may be determined to the cent in ten minutes on any day in the year. This may appear like an extravagant claim, but can be absolutely verified. A few suggestions may assist to a better understanding of this point.

The interest on these certificates is represented by coupons, each of which is one per cent. of the amount or face value of the certificate, and represents

IDEAL CERTIFICATE OF DEPOSIT REGISTER

Dr.

(SHOWING AMOUNTS REDEEMED OR CANCELLED FROM DAY TO DAY)

DATE 19[illegible]		No.	NAME AND ADDRESS	1 Amount Redeemed	2 Issued before last interest date	3 Issued since last interest date	4 Value of fractional coupons cancelled	5 Interest Paid
April	1		Amounts Forward					
"	4	1360	JACOB WISEMAN	1200 00	1200 00			
"	"	905	TIMOTHY TART	300 00	300 00			36 00
May	3	1502	RICHARD ROE	895 00		895 00	8 65	
"	12	867	PETER PORLEY	700 00	700 00			
"	"	1240	TOM TROTTER	1367 00	1367 00			23 00
June	5	852	OLIVER SNEAD	485 00	485 00			
"	17	1504	PETER PRIDE	750 00		750 00	4 50	
"	30	640	HENRY TURNKEY	1600 00	1600 00			17 00
"	"	1503	JACK FROST	3204 00		3204 00	30 97	

Above is an illustration of the use of the Register, showing the entries as made from day to day, and the results, and how obtained.

If this Register is carefully and correctly kept, the most accurate and satisfactory results will be obtained, with the minimum of labor, and no other record will be necessary, however large the volume of business. The above is adapted to the 4 per cent. rate, but the method applies to any other rate as well. For purposes of illustration we begin with an interest date, (Apr. 1) and presume that the Register has been correctly kept up to that time and that the amounts "brought forward" correctly represent the state of the business. For convenience of reference the columns are numbered, and the left-hand page, recording the amounts redeemed, is denoted the "Dr." page, and the right-hand page, recording the amounts issued, is designated the "Cr." page. The columns headed "Total" show results. All the other columns should be footed each day in small figures; Col. 1 on each page showing the total of the day's work, and the others showing the continuous or grand total. On the Cr. page, column 1 represents the amounts of the individual certificates as they are issued from time to time. The total of each day's work is entered in small figures at the close of the day's work, and is employed in determining the total of certificates outstanding each day. Cr. Col. 2 begins with the amount outstanding on interest date. To the amount shown by this column is added each day the amount of certificates issued (footing of Cr. Col. 1,) and from that sum is subtracted the amount redeemed. (Footing of Dr. Col. 1.) The result shows the exact amount of certificates outstanding each day, and should agree with the amount carried on the General Ledger. Column 3 shows the value of the fractional coupons attached to the certificates as issued, and represents the amount of interest required to carry them to the next interest date. Column 4 shows each day the amount of interest reserved for certificates outstanding. The amount in this column is increased only on each interest date, in adjusting the Interest Reserve, but is diminished from day to day by amount of interest paid. (Dr. Col. 5.)

On the Dr. page, Column 1 shows the amount of the individual certificates as they are redeemed, and the total of each day's work is indicated in small figures under the day's work. These footings, like those in Column 1 on the Cr. page, are employed in determining the total of certificates outstanding each day. Column 2 shows which of these redeemed certificates were issued prior to the last interest date, and Column 3 which were issued since. Column 4 shows the value of the fractional coupons attached to such redeemed certificates as were issued since last interest date. Column 5 shows the total value of the interest coupons redeemed from day to day, the amounts of which are obtained from the coupons themselves, and are to be charged to "Interest Reserved." (Cr. Col. 4.)

Form 7.—Ideal Certificate of Deposit Register—Left-hand page.

---

the interest on this amount from one interest period to the next. It will therefore be readily seen that one per cent. of the total amount of certificates, which remains outstanding from one interest period to the next, would represent the value of the coupons attached thereto, which mature and become due on the next interest date. Supposing the amount of certificates outstanding remains fixed and unchanged from one interest period to the next, it would only be necessary to take one per cent. of this amount to determine the interest due at the next interest date referred to. The fractional coupon, that is to say, the first maturing coupon, represents the amount of interest necessary to carry the certificate to which it is attached to the next interest date. These amounts are shown on the stub or signature card, which is retained by the bank at the time the certificate is issued. These amounts may be carried on the register, and their total maintained from day to day. If to this total, which

IDEAL CERTIFICATE OF DEPOSIT REGISTER

Cr. (SHOWING AMOUNTS ISSUED FROM DAY TO DAY)

DATE 190		A. C. C. No	BANK No.	NAME AND ADDRESS	1 AMOUNT	2 Total Outstanding	3 Value of fractional coupons	4 Total Interest Reserved
April	1	Amounts Forward				175,650.00		2,360.00
"	2	10,701	1501	John Doe Doeville	1,579.00	177,229.00	15.61	
"	4	2	2	Richard Roe	895.00		8.65	
"	"	3	3	Jack Frost	3,204.00	181,328.00 1,500.00 179,828.00	30.97	36.00
May	7	4	4	Peter Pride	750.00	895.00 178,933.00 179,733.00	4.50	
"	"	5	5	Tom Twist	50.00	2,067.00 177,666.00	.30	23.00
June	16	6	6	Sam Sly	2,000.00	485.00 177,181.00 179,181.00	3.11	
"	17	7	7	James Shift	1,780.00	181,961.00	2.57	
"	"	8	8	Guy Wren	900.00	750.00 181,111.00 182,011.00	1.30	
"	30	9	9	Jas. Goode	1,100.00	4,804.00 177,407.00	0.00	17.00

All the information required for the records on the Cr. page is found on the "stub" of the certificate, which is detached and retained by the bank when the certificate is issued. All information required for the records on the Dr. page is to be found on the certificates and interest coupons redeemed.

Suppose it be required to find the exact accrued interest, (Proper Interest Reserve,) on the above accounts, June 17. The process is as follows: To the balance of "Interest Reserved," shown by the Register, (Cr. Col. 4, \$2,301,) add the difference between Cr. Col. 3 and Dr. Col. 4 (67.01-13.15); which is the value of the fractional coupons still outstanding attached to the certificates issued since last interest date, and which indicates the amount of interest necessary to carry these certificates to the next interest date. Add also 1 per cent. of the amount of certificates now outstanding, which were issued prior to the last interest date. (Cr. Col. 2. April 1, last int. date,) less footing of Dr. Col. 2, (\$175,650-\$4,052) which shows the amount of interest necessary to carry them to the next interest date. From this sum subtract the interest on the total amount of certificates now outstanding for 13 days (June 17 to July 1, next interest date), the result will be the true accrued interest.

To find the Interest Reserve on any interest date, add to balance of Cr. Col. 4 the difference between the footings of Cr. Col. 3 and Dr. Col. 4, also 1 per cent. of the difference between Cr. Col. 2, April 1, (last int. date,) and the footings of Dr. Col. 2: result, correct Interest Reserve.

These operations would appear as follows:

TO DETERMINE THE TRUE ACCRUED INTEREST JUNE 17:

To the Bal. Int. Reserved..........		\$2,301.00	shown by the Register
Add total of Cr. Col. 3..........	\$67.01		
Less total of Dr. Col. 4..........	13.15	53.86,	and also 1% of Cr. Col. 2,
April 1st (last int. date)........	\$175,650.00		
Less total Dr. Col. 2............	4,052.00	1,715.98	
From this subtract int. on \$181,111		\$4,070.84	
total Cr. Col. 2 for 13 days................		261.60	
True accrued interest		3,809.24	

TO FIND CORRECT INTEREST RESERVE ON THE INTEREST DATE JULY 1:

To the balance of Interest Reserved......		\$2,284.00	(footing Cr. Col. 4.)
Add total of Cr. Col. 3..........	\$67.01		
Less total of Dr. Col. 4..........	44.12	22.89,	and also 1% of Cr. Col. 2,
April 1st (last int. date)........	\$175,650.00		
Less total of Dr. Col. 2..........	5,652.00	1,699.98	
Correct Interest Reserve		\$4,006.87	

Form 7.—Ideal Certificate of Deposit Register—Right-hand page.

represents the amount of interest necessary to carry to the next interest date all the certificates issued since the last interest date, be added one per cent. of the amount of the certificates outstanding since the last interest date, you will have the correct amount of interest necessary to carry all of these certificates up to the next interest date; or, in other words, the amount of interest that would be due on the next interest date, provided no additions or deductions took place in the meantime.

If it be desired to find the amount

of interest due on any specific date, all that is necessary will be to subtract from the amount ascertained as above to be due on the next interest date, the interest on the total amount of certificates from the date specified, to the next interest date. This will be the desired result. To make this calculation absolutely accurate, it is only necesary to make the proper additions or deductions for these certificates and coupons issued or redeemed from day to day. This is provided for in the register, which furnishes an absolutely simple method of reaching the most accurate and satisfactory results. This effects a large saving to the bank in labor, as well as in the elimination of errors. It furnishes the proper authorities with an absolute check in every department of the work, prevents fraud, and gives the most satisfactory results.

The form and value of this register can be readily seen from the specimen pages of a register supposed to have been kept in connection with the use of this device, and by carefully examining the explanatory note attached. This illustrative form, with instructions, referred to, is printed in full in the front of each register, thereby making the use of the register most simple and available. This register, like all the labor-saving devices controlled by the Adjustable Coupon Corporation, is protected by patents or copyright already granted or now being applied for.

As to the further benefits that would follow the use of this device, it may be suggested that the many advantages thereby offered to the depositor would result in bringing out of hiding large amounts of hoarded money. People who have heretofore refrained from doing a banking business, because of the many objections to the old method, would, as they become familiar with the advantages of this, bring out their hidden treasures and deposit with the bank.

It would result in great benefit to the business interests of the country generally, and especially to the advantage of the banks, in that it would increase the volume of their business and build up their time deposits.

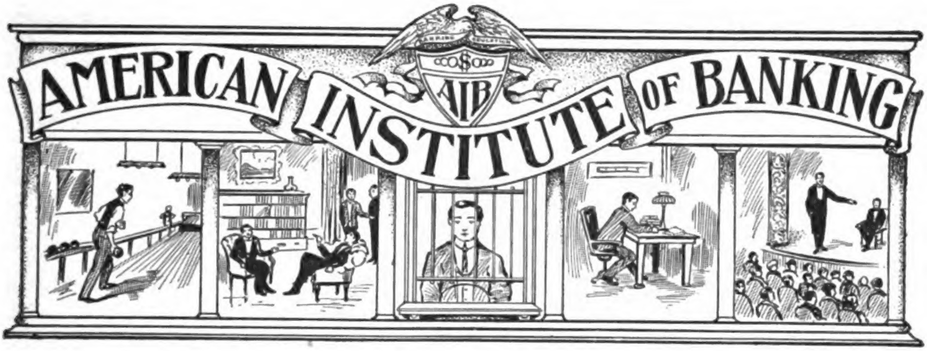
A view of the obvious advantages that would follow the general use of this device, the fact of its absolute simplicity, and the ease with which it can be put into use, must certainly result in its adoption to a large extent, as soon as its merits are understood and appreciated.

The application of this device to the banking business is but one of its possible uses. The plan is so elastic and adjustable, that it may, with the greatest ease, and with the most beneficial results, be applied in any case where an interest-bearing instrument of indebtedness is employed. For instance, wherever a coupon bond would be available. It has this advantage over any form heretofore employed, that it is perfectly elastic and adjustable, so that it may be made to meet the needs and requirements of any case or condition. It is available through the whole field of finance.

Though but recently made public, this device has already secured the interested attention of persons prominent in the financial world. A bill has been introduced into Congress by Representative Burton of Delaware, providing for its use in the conduct of the proposed Postal Savings Bank system, for which it is admirably adapted.

In conclusion, the consideration of this subject opens a wide and interesting field for thought and investigation. The obvious merits of the device, and the possibilities of its useful employment, should make it an interesting subject of investigation by every progressive banker. It has in it, doubtless, the possibility of great results in the banking world, and will no doubt receive an early recognition and a favorable reception.

More particular information will be supplied on application to the Adjustable Coupon Corporation of Petersburg, Va.



THIS department is conducted in the interests of the American Institute of Banking. From time to time articles of special value to members of the Institute will appear here and it is intended to publish as much news of the various chapters as possible. It is hoped that each chapter will appoint someone whose regular duty it shall be to correspond with THE BANKERS MAGAZINE for this purpose.

Group and individual photographs of officers and members, photographs of chapter rooms, accounts of banquets, debates, speeches and chapter progress are desired and practical suggestions and discussions are solicited from all members of the Institute. Manuscripts and photographs must reach us by the 25th of the month to be in time for the following month's issue.

BEAUTIFUL AND HISTORIC PROVIDENCE.

Some Facts of Interest Concerning the Convention City, By E. A. Havens.

PROVIDENCE, second city of New England, is the metropolis, not only of Rhode Island, but also of large portions of Massachusetts and Connecticut. The city proper contains a little over 200,000 people while adjacent towns add almost as many more. This continuously built area by the census of 1907 holds over 390,000 people.

On the twenty-third day of July, 1908, the National Convention of the American Institute of Banking will assemble in this city. Its sessions will continue for three days, during which many distinguished financiers from various parts of the country will deliver addresses and instructive papers by members of the institute will be read. The expected presence of several hundred bank men has so appealed to their Providence brethren that they have made liberal provisions for their reception and entertainment.

The gathering of such a body outside of the beaten path of convention centers is an event in the community of no ordinary occurrence and should arouse the enthusiasm and attention of every student of finance. Aside, however, from the instructive sessions of the convention and the entertainment to be offered those in attendance, Providence itself is well worth more than a passing glance. To the student, Brown University, the Alma Mater of many distinguished men, the Public Library widely copied in its methods, and a score of similar institutions will appeal. To antiquarians, such a collection as that made by the late Charles Leonard Pendleton promises a rich treat, as well as numerous specimens of fine old colonial architecture, which have been preserved to a remarkable extent.

Few cities can offer to the traveler a more satisfying approach than Providence. At the north of the railroad buildings is the fine marble State House and the State Normal School, both surrounded by spacious grounds, while on the south is that fine square called Exchange Place, at one end of which is situated the City Hall, and at the other end the new Post Office, now approaching completion.

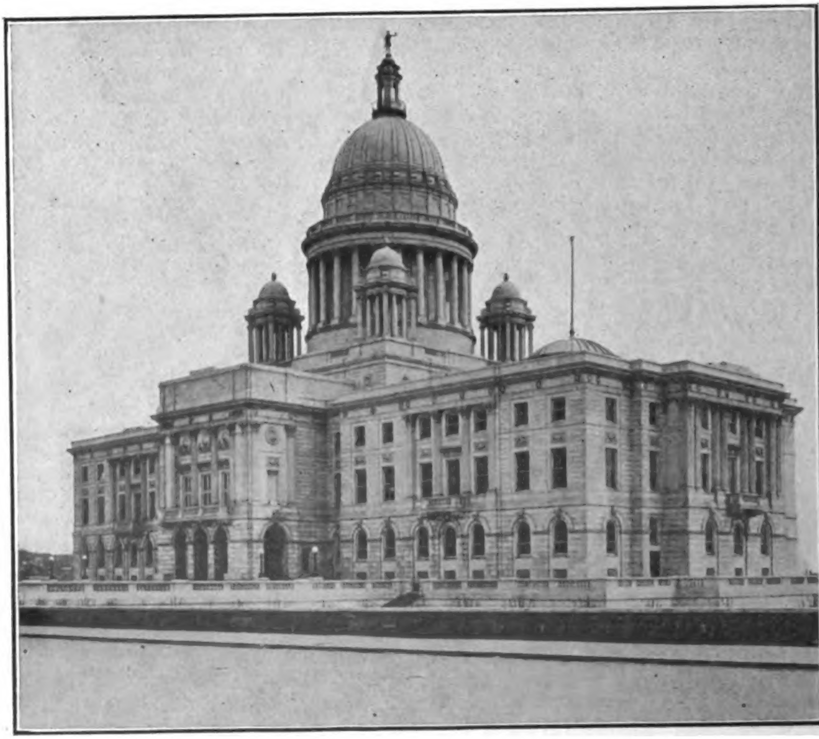
The Civic Center.

The railroad buildings themselves are extensive and it is notable that the traveler is not landed in the purlieus of the city, but steps into a beautiful little park and thence by a moment's walk into the centre of the city's activity. Standing at the entrance to the State House and overlooking that section of the city the visitor cannot fail to be impressed with the idea that the artistic development already in evidence will, when completed, give to Providence a civic centre of which she may justly be proud.

Providence stands preeminent in several industries. The manufacture of jewelry,

silverware and fine woolens are among the most noteworthy. The Gorham Silver Works, Brown and Sharpe Machine Shops and the Nicholson File Company's plant are the largest of their kind in the world and are well worth a visit by those interested along these lines.

The banking institutions of the city are evidences of the thrift and enterprise of its citizens. Several are of metropolitan size and their up-to-date methods and superior equipments cannot fail to attract the attention of visiting banking men.



THE RHODE ISLAND STATE HOUSE
One of McKim, Mead & White's Most Beautiful Creations.

The city of Providence, in addition to its commercial and financial activities, has many advantages as a convention city. The waters of Narragansett Bay and the Providence River are navigable to the very heart of the city and fine excursion steamers make frequent trips to nearby resorts as well as to Newport, Watch Hill and Block Island.

The Trip to Newport.

It is confidently expected that the crowning feature of the entertainment of the 1908 Convention will include a sail to Newport and a drive about that famous ocean paradise. No summer gathering on Rhode Island shores would be complete without an introduction to that peculiar institution known throughout this region as the Rhode Island Clambake and it is intended that the American Institute of Banking will be made thoroughly familiar with the epicurean delights of this remarkable feast.

Providence is the centre of a section of the country of much historic interest, and a short journey will carry the tourist to many places of note in the early days of our nation.

When the American Institute of Banking shall assemble for its Sixth Convention it will receive from the city and from the Providence chapter as well the heartiest of welcomes. It is believed that the results of this gathering will mark an epoch in the relations existing with the American Bankers Association, and that the Providence Convention will constitute a historic event in the records of the American Institute of Banking.

THE PROVIDENCE BANKS.

A Brief Account of the City's Financial Institutions.

PROVIDENCE has some of the oldest and strongest financial institutions in New England. They are conducted in a conservative but progressive manner and their officers are leaders in the city's activities. They have played a most important part in the commercial and industrial life of the city, whose growth and progress have been so marked in recent years. Many of the institutions are housed in handsome buildings of their own.

The city's progress in the past decade may best be shown by the following table of bank clearings. The steady upward trend has seldom been retarded:

Bank Clearings.

1907	$389,688,600
1906	397,193,700
1905	381,433,400
1904	349,151,600
1903	359,276,100
1902	354,165,100
1901	349,329,900
1900	326,289,700
1899	335,216,200
1898	265,374,000

The total capital of the banks and trust companies of Providence is $10,545,000, surplus and undivided profits aggregate $11,792,000, while deposits make a total of $111,890,000. The savings banks of the city hold deposits of $37,000,000 for over 67,000 depositors, and their aggregate surplus is $2,300,000. The following tables give the figures in detail:

National Banks.

	Capital.	Surplus and Profits.	Deposits.
Atlantic	$225,000	$160,000	$2,500,000
Blackstone	500,000	315,000	1,190,000
Commerce	850,000	515,000	2,750,000
Exchange	500,000	800,000	1,500,000
Mechanics	500,000	200,000	2,000,000
Merchants	1,000,000	775,000	6,200,000
Phenix	450,000	625,000	1,300,000
Providence	500,000	780,000	1,250,000
United	500,000	725,000	4,000,000
	$5,025,000	$4,895,000	$22,690,000

Trust Companies.

Central	$200,000	$25,000	$250,000
Industrial	3,000,000	4,000,000	40,000,000
R. I. Hospital	1,000,000	2,180,000	32,500,000
Union	1,000,000	500,000	14,800,000
	$5,200,000	$6,705,000	$87,550,000

PROVIDENCE PUBLIC LIBRARY
Considered One of the Model Institutions of the Country.

STATE BANKS.

High Street...	$120,000	$112,000	$750,000
Westminster .	200,000	80,000	900,000
	$320,000	$192,000	$1,650,000

SAVINGS BANKS.

	Depositors.	Surplus.	Deposits.
Citizens	12,500	$550,000	$9,132,000
Peoples	10,300	327,000	5,832,000
Prov. Inst. ..	44,245	1,457,000	22,438,000
	67,045	$2,334,000	$37,402,000

National Banks.

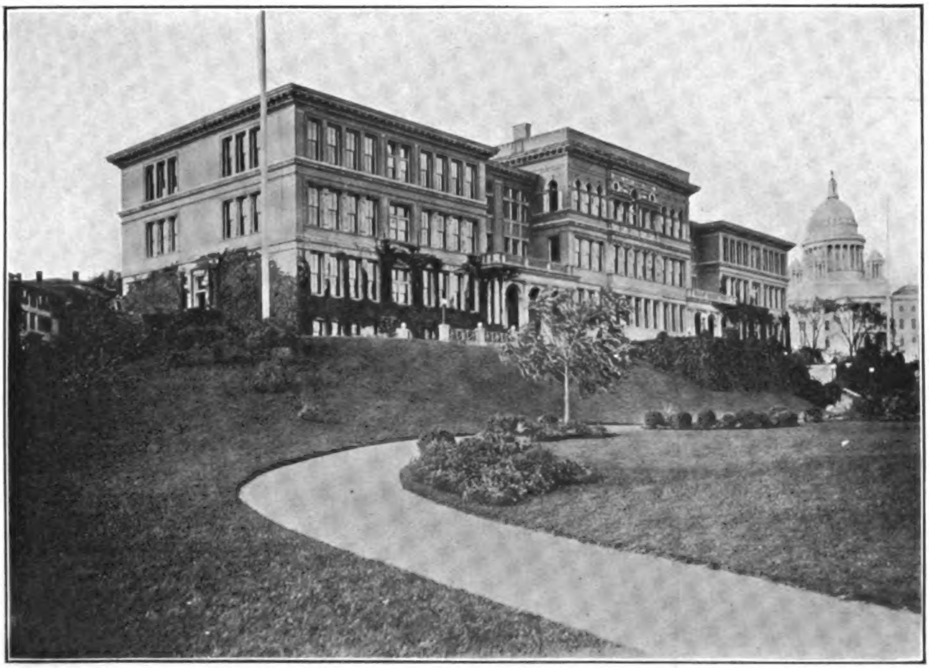
The Atlantic National Bank dates back to 1853, when it began business as a state vice-presidents; Frank W. Peabody, cashier; George H. Capron, assistant cashier. The directors are: George E. Boyden, John J. Connly, John M. Dean, Arthur W. Dennis, Henry Fletcher, Henry W. Harvey, Frederick W. Hartwell, Orrin E. Jones, Franklin S. Jerome, James S. Kenyon, Edward P. Metcalf, John S. Murdock, Frank W. Peabody, Joseph G. Robin, David F. Sherwood, P. R. G. Sjostrom, Ivar L. Sjostrom, Edwin A. Smith, Oscar Swanson, Ernest W. Tinkham, D. Henry Wellman, Walter W. Whipple. The Atlantic has a capital of $225,000 and surplus and profits of $160,000.

MARKET SQUARE AND WASHINGTON ROW

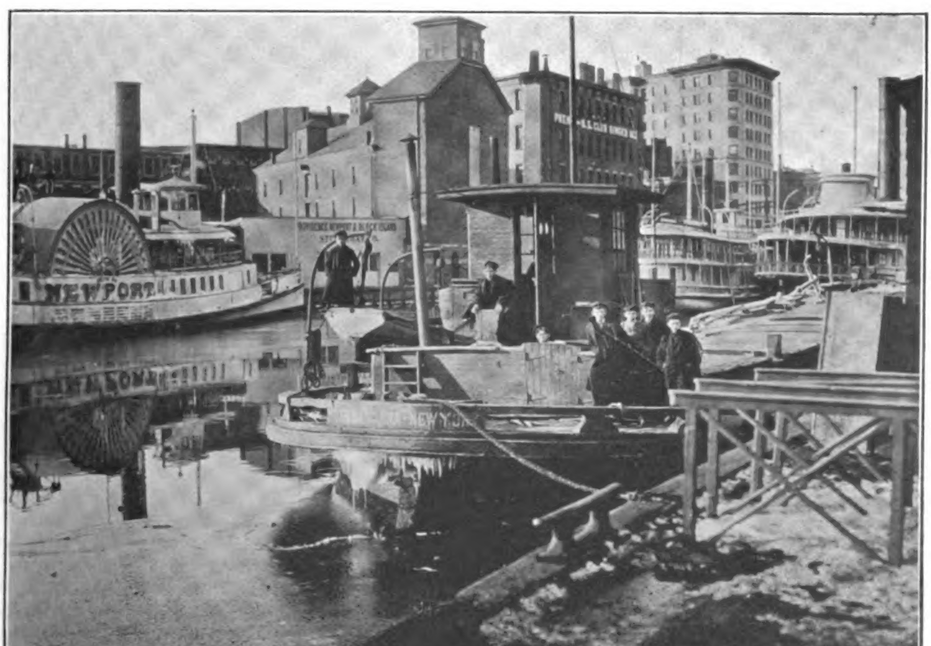
The Large Building in the Foreground is the Home of the Rhode Island Hospital Trust Company, the oldest Trust Company in New England.

institution—the Atlantic Bank. In the past two years, however, it has had a growth which has attracted almost national attention. In May, 1906, after more than half a century of existence, it had deposits of $258,000. At that time new interests entered into control and the bank began to grow. In less than two years the deposits had increased to nearly $2,500,000, and the number of depositors had grown from 295 to 2800. The bank is located in convenient and attractive quarters in the up-to-date Banigan building, on Weybosset street. The officials are: Edward P. Metcalf, president; James S. Kenyon and Ernest W. Tinkham,

The Blackstone Canal National Bank is located in commanding quarters in Market square, in the building of the Providence Washington Life Insurance Co. It was organized in 1831 as a state bank and nationalized in 1865. The present banking rooms were occupied about 1850, but in recent years they have been thoroughly modernized. A recent statement shows capital of $500,000, surplus and profits of $815,000, and deposits of $1,190,000. William Ames is president, Herbert F. Hinckley vice-president, and Oren Westcott cashier. The directors are: William Ames, Herbert F. Hinckley, Frank W. Matteson, Daniel Beck-



The State Normal School with a Glimpse of the State House Beyond.



At the Head of Navigation on Providence River.

INDUSTRIAL TRUST BUILDING

Headquarters of the Largest Trust Company in New England.

with, Edwin M. Dodd, C. Moulton Stone, Charles H. Merriman, Jr.

The banking rooms of the Mechanics National Bank are in Exchange place, at the corner of Dorrance street, in an ideal location opposite the city hall and railroad station, and on the direct road of travel between those centers of activity and the heart of the business section. This bank was established in 1823. It has a capital of $500,000 and surplus and profits of more

than $200,000. Its deposits average fully $2,000,000. The bank conducts a savings department which is largely patronized. The officials are: James H. Chace, president; Charles C. Harrington, vice-president; H. Edward Thurston, cashier, and Henry B. Congdon, assistant cashier. The directors: James H. Chace, Rowland G. Hazard, Henry F. Lippitt, Johns H. Congdon, Charles C. Harrington, H. Martin Brown, Cyrus P. Brown, Fenner H. Peckham.

The largest bank in the city is the Merchants National Bank, which was established in 1818 and occupies the ground floor of its own building at 20 Westminster street. Established as the Merchants Bank, it was nationalized in 1865. In its career of ninety years it has never passed a dividend and has never paid less than 6 per cent. Its last dividend was its 180th. For fifty years it has occupied its present building, which is still modern in its appointments and dignified in appearance. Edward D. Pearce is president, Samuel R. Dorrance vice-president, Moses J. Barber cashier, and Frank A. Greene assistant cashier. The directors are: Royal C. Taft, Frank E. Richmond, Samuel R. Dorrance, John W. Danielson, Edward D. Pearce, George M. Smith, Lucian Sharpe, Horatio N. Campbell, Robert W. Taft, Herbert J. Wells, Charles H. Newell, William B. McBee. The Merchants National has a capital of $1,000,000, surplus and profits of $775,000, and its deposits have increased from $1,850,000 in 1885 and $3,975,000 in 1905, to $6,200,000 at the present time.

THE SQUANTUM CLUB
Occupying a Picturesque Site on the Shores of Beautiful Narragansett Bay.

The National Bank of Commerce began its career in 1851 in the old What Cheer Building, but is now located in Market square. It has a strong financial position, with capital of $850,000 and surplus and profits of $515,000. Its officers are: Robert Knight, president; John Foster, vice-president and cashier, and William B. Weeden, Robert Knight, Dutee Wilcox, C. Prescott Knight, Eward Aborn Greene, John G. Massie, John R. Freeman, Walter S. Hackney, John Foster, directors. The

deposits of the Commerce aggregate $2,-750,000.

The National Exchange Bank is the second oldest bank in the city, having been organized in 1801. It occupies commodious and attractive quarters in its own building at the corner of Westminster and Exchange streets. Michael F. Dooley has recently been elected president of this institution, having formerly been connected with the Union Trust Co. Augustus R. Peirce is vice-president and George G. Wood cashier. The directors are: Theodore Francis Green, Newton D. Arnold, Walter Callender, J. Herbert Foster, James Richardson, John Carter Brown Woods, Rathbone Gardner, Charles B. Humphrey, Michael F. Dooley. The capital of the bank is $500,000, surplus $750,000, and deposits $1,500,000.

The Phenix National Bank is located in the Narragansett Hotel building at the corner of Weybosset and Dorrance streets. It was organized in 1835 and was made a national bank in 1865. It has a capital of $450,000, surplus and profits of $625,000, and deposits of about $1,300,000. Its officials are Jonathan Chace, president; George E. Martin, vice-president; J. E. Thompson, cashier; Jonathan Chace, Webster Knight, George E. Martin, Louis H. Comstock, Joseph Davol, Charles Briggs, Henry Pearce, Joseph E. Fletcher, Russell Grinnell, directors.

The oldest national bank in the city is the Providence National Bank. It was organized in 1791 and only four banks in the entire country antedated it—the Bank of North America, Philadelphia; the Massachusetts Bank, Boston; the Bank of New York, New York, and the Bank of Maryland, Baltimore. The Bank of Maryland having failed, the Providence is now the third oldest bank in the country. October 3, 1791, the bank began business in a small house in Hopkins street, formerly commonly called Bank Lane. In April, 1792, the bank paid its first dividend, and regularly every six months since, a dividend has been paid. The bank purchased its present building in 1801 and here for over a century it has loyally remained. According to the custom of the time a portion of the building was occupied by the cashier as

PROVIDENCE BANK BUILDING

Home of the Providence National Bank for Over a Century. The Bank Occupies Rooms on the Second Floor, and in Former Years the Cashier occupied the Remainder of the Building as a Residence.

THE BANIGAN BUILDING

Providence's Largest Office Structure. Home of the Atlantic National Bank.

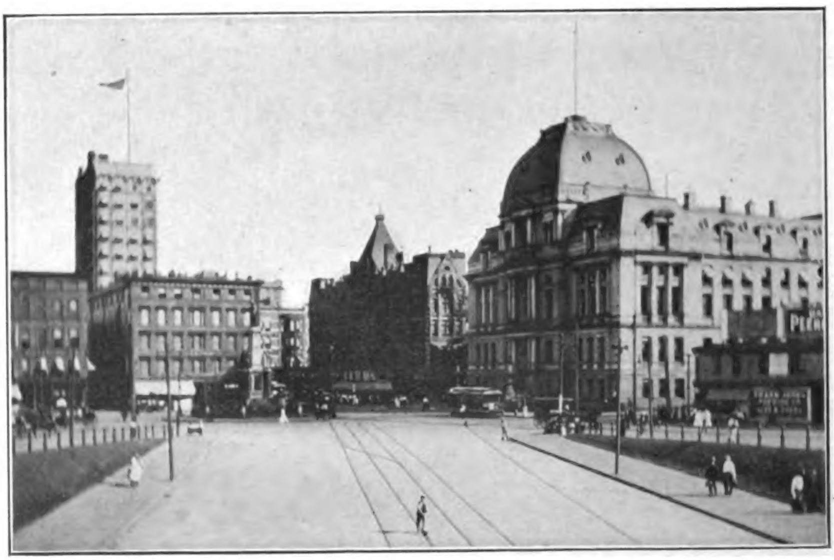
a residence. The woodwork of the present banking rooms remains for the most part as built more than 138 years ago. The bank is still strong and vigorous, with capital of $500,000, surplus and pronts of $780,000, and deposits of $1,250,000. Its officers are: R. I. Gammell, president; A. R. Matteson, cashier. Directors: R. I. Gammell, George W. R. Matteson, John Carter Brown Woods, William Gammell, Henry D. Sharpe, R. H. Ives Goddard, Jr., Edward F. Child.

The newest bank in Providence, but by no means the least, is the United National Bank, which was formed in 1901 by a consolidation of the Rhode Island National, the National Eagle, the Second National, Fourth National and Fifth National. Its location is at Exchange place and Exchange street, a corner which is destined to become

one of the most prominent in the city, being close to the nearly completed custom house and post-office and opposite the Union Station. The United does a purely commercial business and is in a strong financial position with capital of $500,000, surplus and profits of $725,000 and total deposits of $4,000,000. Frank W. Gale is president, Charles Warren Lippitt, Josiah W. Crooker and John D. Lewis vice-presidents, and Walter C. Nye cashier. The directors are: Charles Warren Lippitt, William A. Leete, Edward A. Loomis, John R. Gladding, Josiah W. Crooker, Charles Sisson, William A. Copeland, William H. Perry, Fred L. Smith, Henry D. Heydon, Frank W. Gale, Albert H. Sayles, Everett I. Rogers, Harold J. Gross, John D. Lewis, Arthur W. Claflin.

Trust Companies.

The Industrial Trust Co. is the largest trust company in New England. It was organized in 1886 and began business August 1 of that year at No. 9 Custom House street, moving in 1887 to the Exchange Bank building. In 1891 work was begun on the fine building of the company on the commanding site bounded by Westminster and Exchange streets and Exchange place, now one of the city's finest office structures. The company has branches in all the principal towns of the state, and has enjoyed from the start a large and profitable business. Its capital is $3,000,000, surplus and profits $4,000,000, and deposits $40,000,000. Its officers are: Cyrus P. Brown, president; Arthur L. Kelley, H. Martin Brown, Otis Everett and Joshua M. Addeman, vice-presidents; Waldo M. Place, treasurer; Ward E. Smith, assistant treasurer; Charles H. Manchester, secretary; H. Howard Pepper, assistant secretary; Frederick B. Wilcox, auditor; directors: Samuel P. Colt, chairman, Arthur L. Kelley, Cyrus P. Brown, Olney T. Inman, H. Martin Brown, Elbridge T. Gerry, George Peabody Wetmore, Levi P. Morton, Charles C. Harington, William R. Dupee, James Stillman, Joseph Davol, Warren O. Arnold, George F. Baker, Louis H. Comstock, R. A. Robertson, Thomas F. Ryan, Herbert N. Fenner, J. M. Addeman, Henry A. C. Taylor, J. Milton Payne, James M. Scott, George M. Thornton, Eben N. Littlefield, Wm. H. Perry and Otis Everett.



EXCHANGE PLACE

Looking from Union Station. The City Hall is on the Right, and the Building on the Left is the Home of the Mechanics National Bank. The Tall Structure on the Left is the Union Trust Building.

The Rhode Island Hospital Trust Co. is not only the oldest trust company in Providence, but the oldest in New England. It was incorporated at the May, 1867, session of the State Legislature, and began business January 1, 1868. It was organized by philanthropic men of Providence, friends and well-wishers of the Rhode Island Hospital, which gives it its name, and for many years a portion of the

company's profits went to the hospital. The original home of the company was on South Main Street, but in 1891 the present fine building on Westminster Street was erected and in 1903 was greatly enlarged and improved. Through a recent legislative act the company was empowered to

THE NARRAGANSETT HOTEL

Headquarters of the coming Convention, American Institute of Banking. Home of the Phenix National Bank.

increase its capital to $5,000,000 and an increase of $1,000,000 will be made within a short time. The company has at present a capital of $1,000,000, surplus and profits of $2,180,000, and deposits of $32,500,000.

The officers are: President, Herbert J. Wells; vice-presidents, Edward S. Clark and Horatio A. Hunt; secretary, William A. Gamwell. The directors are Royal C. Taft, Robert H. I. Goddard, George W. R. Matteson, William D. Ely, Robert I. Gammell, William Binney, William B. Weeden, Edward D. Pearce, Robert Knight, John W. Danielson, Herbert J. Wells, John C. Pegram, Lyman B. Goff, Rowland G. Hazard, Nelson W. Aldrich, Samuel R. Dorrance, Howard O. Sturges, Stephen O. Metcalf, Walter R. Callender, Gilbert A. Phillips, Edward Holbrook, James E. Sullivan, Benjamin M. Jackson, John R. Freeman, Charles S. Mellen, Robert W. Taft, Webster Knight.

The Union Trust Co. was established in 1894, succeeding the Bank of America Loan & Trust Co. It enjoyed a prosperous

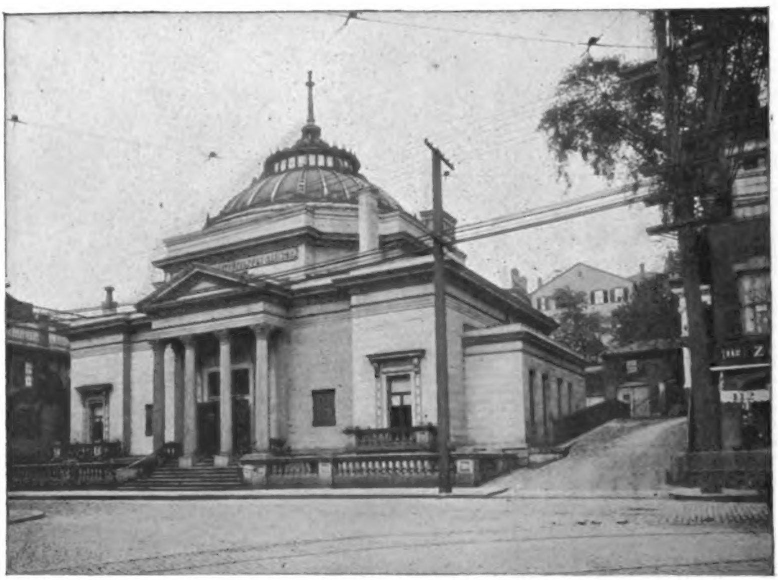
career and became one of the largest trust companies in New England, erecting a few years ago a handsome building at the corner of Westminster and Dorrance Streets, which is now one of the landmarks of the city. During the recent panic the company was one of those institutions which could not readily realize upon its assets and temporarily went into the hands of receivers. It has now been thoroughly reorganized, and will be conducted as a strictly commercial bank. The Union Trust Co. has a capital of $1,000,000, surplus $500,000, reserve under reorganization plan $3,953,184.43, and deposits of $14,825,000. The officials of the company, as reorganized are as follows: President, Rathbone Gardner; vice-presidents, Archibald G. Loomis, James M. Scott; treasurer and secretary, Walter G. Brown; directors, William Ames, Edward G. Buckland, Zechariah Chafee, William A. Copeland, Harry Cutler, Joseph E. Fletcher, Rathbone Gardner, Herbert F. Hinckley, Charles B. Humphrey, Samuel M. Nicholson, Edward D. Pearce, James M. Scott, Henry D. Sharpe, Cornelius S. Sweetland.

The Central Trust Company was organized in September, 1903, and its headquarters are at 79 Westminster street. J. F. Sunderland is president and Alfred P. Ward, secretary and treasurer.

The Italo-American Mutual Trust Company was organized in May, 1904, and is, therefore, the youngest of the Providence trust companies. It occupies the former quarters of the Westminster Bank at 53 Weybosset Street. The company makes a specialty of handling small accounts and its capital is $100,000, of which $46,000 has been paid in. It has a surplus of $4500, and deposits of $45,000. The officers are: President, Frank D. McKendall; vice-president, G. DeBenedictis; secretary, William S. Todd, and treasurer, Harold R. Bassett.

State Banks.

The High Street Bank was organized in 1828 and occupies its own building on High street, at some distance from the city's business center, where it caters to the needs of the business men of its district. It has a capital of $120,000, surplus and profits of $112,000, and deposits of $750,000. Arthur E. Austin is president and E. Allen cashier.



The Providence Institution for Savings.

The Westminster Bank occupies prominent quarters on Westminster street in the heart of the business section. It was organized and began business in 1854. Its capital is $200,000, surplus and profits $80,000, and deposits $900,000. Arnold B. Chace is president, Frederick A. Ballou vice-president, and William C. Angell cashier.

Savings Banks.

The Citizens Savings Bank is located in the building with the High Street Bank. It is a thriving and highly esteemed institution, with 12,500 depositors, deposits of $9,132,000, and surplus of $550,000. The of-

ficers are: James B. Paine, president; A. E. Austin, vice-president; E. Allen, treasurer.

The Peoples Savings Bank is located in modest quarters at the corner of Market square and Canal street. It was organized in 1851 and now has $5,832,000 deposits due 10,300 depositors, and its surplus, conservatively figured, is $327,000. The bank is growing rapidly. Its officials are: President, Robert Knight; vice-presidents, Henry F. Lippitt, Dutee Wilcox and Edward Aborn Greene; treasurer and secretary, John G. Massie; directors, Francis W. Carpenter, Webster Knight, James H. Chace, John K. H. Nightingale, John Foster, Henry G. Day, Howard L. Clark, Frank P. Comstock, John R. Freeman, C. Prescott Knight, Howard D. Wilcox, John G. Massie.

The oldest and largest savings bank in the city is the Providence Institution for Savings, which occupies a handsome building of its own on South Main street. This bank dates back to 1819 and its present sumptuous home was completed in 1898. Its depositors number 44,200, deposits total $22,500,000, while a surplus of $1,262,509 stands between the depositors and any possible loss. Its officers are as follows: President, Gilbert A. Phillips; vice-presidents, George W. R. Matteson, Robert H. I. Goddard and Howard O. Sturges; treasurer, LeB. Bradford; directors, Royal C. Taft, Samuel R. Dorrance, Robert Ives Gammell, William B. Weeden, Horatio N. Campbell, Edward D. Pearce, John W. Danielson, William Gammell, Edward F. Child, Robert W. Taft, Henry D. Sharpe, Robert H. I. Goddard, Jr.

MINNEAPOLIS-CHICAGO DEBATE.

By C. F. Spearin.

THE chapter debating team from Minneapolis has disposed of the Chicago team and in so doing presented the best debate ever given before Chicago chapter. The inter-city contest to decide the championship of the Western debating conference was held in Booth Hall, Chicago, Saturday evening, May 2. Minneapolis will now represent the West against the East before the Providence convention of the Associated Chapters to be held in July. The attendance was large with a goodly number of the fair sex present. The occasion was opened auspiciously by President Ellsworth of Chicago Chapter. F. A. Crandall, National City Bank, Chicago, introduced the debaters and the Corn Exchange National Quartet and J. L. Lehmhard, tenor soloist, with the Central Trust Co., gave musical numbers that pleased the good-natured assemblage. The judges of the debate were: Roscoe R. Gilkey, Western Manager American Surety Co.; Julius Stern, of the Chicago Bar and President of the Citizens' Association, and Fulton B. Ormsby, of the Board of Education. The Minneapolis Chapter for the affirmative, was represented by Gray Warren, First National Bank, L. E. Wakefield, North Western National, and John G. Maclean, Security National. The Chicago team had as their spokesmen Craig B. Hazelwood, Union Trust Company, Benj. B. Bellows, Chicago Savings Bank and Trust Co., and D. G. Bellows, Zion City Bank, Ill.

Minneapolis supported the affirmative, Chicago the negative of the question "Resolved, That a central bank of deposit, discount and issue, under the supervision of the Federal Government, would be for the best interests of the people."

Brief extracts from the speeches follow:

AFFIRMATIVE.

Evils of Bond Secured Currency.

Gray Warren:

The present system of currency has been a patched up, make-shift system, containing compromises for political purposes, and is the result of different positions in which we have been placed by war or politics. Instead of developing a system that would be for the best interests of the country at all times, we have a crazy quilt design and badly patched at that. The United States notes were a bad piece of financiering at the time of the Civil War, the government starting on the fiat money principle. They have cost the country untold millions and are a constant menace. At the time of their issue they were not intended to be a permanent fixture, but, by a compromise measure after specie payment had been resumed and a portion of them redeemed the remainder were compelled by law to be kept in circulation, thus absolutely fixing their amount. The silver certificates are another makeshift device, brought about through a faulty and experimental policy. They are secured by silver dollars for which there is no use, and worth at the present time less than 50 cents on a dollar. Their amount is fixed. The gold certificates are secured by gold, dollar for dollar, and their increase is consequently slow. Last, we have the national bank note, a bank obligation secured by government bonds. These are another war time relic. The government was seeking a market for bonds, which were hard to dispose of, they were not as good security as now, and to furnish this market, the national bank note was devised. The evils of a bond secured currency were thus thrust upon us.

Central Bank in Chicago.

L. E. Wakefield:

We propose to have the central bank located in the city of Chicago.

Its capital shall be, to start with, fifty million dollars.

The stock shall be owned by the national banks of the country, and shall be non-negotiable and non-assignable.

No national bank shall be permitted to own stock in excess of one-tenth of its own capital stock.

The stock owned by any failed or liquidated bank shall be resold to the United States at par, and held in the United States Treasury until sold to a new bank.

In order to make our reserves available, we would abolish all central reserve cities, and require all national banks in reserve cities to carry one-half their reserve in the central bank.

We would also require all other national banks to carry one-half of the reserve they are now permitted to carry in reserve cities in the central bank.

THE MINNEAPOLIS TEAM

Gray Warren. L. E. Wakefield. J. G. MacLean.

The reserve of the central bank shall be gold coin.

The bank shall be governed by a board of twenty-one directors, fourteen of whom shall be elected by the shareholders, and seven appointed by the President of the United States, (one of whom shall be the Secretary of the Treasury) subject to the approval of Congress, providing, however, that no two directors shall be residents of any one state.

We would retire all national bank notes by providing that no future issue of United States bonds shall be available for security for national bank circulation.

We would retire all United States notes.

Also, we would provide for the retirement of all silver certificates as rapidly as the supply of silver bullion can be disposed of at a favorable price.

We would limit the issue of untaxed circulation to the amount normally required to conduct the business of the country, provided, however, that this issue shall at no time exceed the amount retired under the preceding provision. Any issue in excess of this amount shall be taxed at the rate of 5 per cent per annum. We would suggest as a proper model for the issue feature of the bank the Imperial Bank of Germany.

The central bank may be permitted to deal in government, state and municipal bonds.

It should also have authority to deal in foreign exchange, such as would enable it to accumulate gold credits abroad, and import gold when needed for its reserve.

It shall act as fiscal agent for the United States Government.

It will not pay interest on any deposit, nor be permitted to deal in stocks, nor loan on stock collateral.

Controlling Interest Rates.

John G. Maclean:

The last benefit resulting from the operation of a central reserve bank to which your attention is called, is that its establishment will control the interest rates. We read in the comptroller's report for 1907 the following:

"The high point for stock exchange loans in November was 27 per cent., in December 36 per cent., January 45 per cent., March 25 per cent., June 12 per cent., July 16 per cent., September 10 per cent., and October 125 per cent."

We are the only country in the world where rates of interest run as high as this, and this would not be the case had we in existence a central reserve bank of issue. We find, on referring to the New York bank statements in the comptroller's report, that on February 4, 1906, the national banks of New York held $199,000,000 of specie and legal tender, and on May 20th, after all the crops had been moved, their holdings amounted to $230,000,000, or an increase of $31,000,000. Thus, for the time being, or until the next fall, when there is

another call for money for crop moving purposes, they have an extra reserve which created approximately $124,000,000 of loaning power. This sudden increase of loaning power every year has had the effect of lowering interest rates, and naturally encouraging speculation. In the fall of the year, when this money is again needed, there must be called in, in order to maintain their legal reserve, an amount of loans equal to four times the amount of the currency shipped. This results in the increasing of the interest rates. With a central bank in operation, all surplus funds would be deposited with them and speculation would be curtailed, if not eliminated, because there would be withdrawn from New York banks one-half of the reserve now on deposit there, or 120 millions, which amount could be withdrawn in reserve money if desired. This amount we estimate would cover all the surplus, and there would be none left for speculation purposes, and with the central bank rediscounting only for commercial purposes, we hold that speculation and interest rates would absolutely be under the control of the central bank.

A Combination of Octopi.

Benjamin B. Bellows:

It is only natural to believe that to inaugurate a central bank with a system of branch banks in this country would be to plant the germ of branch banking, which is the very thing desired by such combinations of capital as Standard Oil, the Railways, and United States Steel. In fact, it would be the germ that would grow into a mammoth octopus, a combination of all the octopi we already have, that would tend to choke the very life out of our individual banks. The branch bank tends to concentrate capital and take it out of the local districts where it rightfully belongs. The branch banking system favors the big man that is centrally located, but cannot develop the outlying districts, for it is impossible for any one to properly handle the local banking but the local man who thoroughly understands local conditions. It is the local individual banks that have so well prospered this nation's thrift.

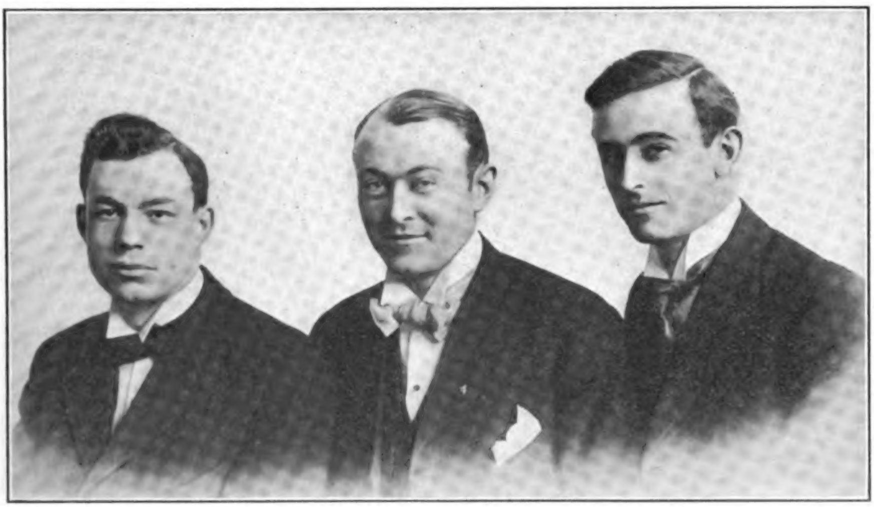


Photo by WALINGER.

CHICAGO DEBATE TEAM

Craig B. Hazelwood. Duncan G. Bellows. Benj. B. Bellows.

NEGATIVE.

All Eggs In One Basket.

Craig B. Hazelwood:

Even with the best kind of management it is unwise for the Government to keep it's eggs all in one basket; and what is more, although we have every confidence that enough public-spirited, high-minded, honorable men could be found to administer the affairs of the bank in a proper manner, yet we are confronted with the ugly fact, that we have had two experiments with such an institution in this country, and that both became involved in politics, and that one of them at least fell into the hands of a few people who used it's great powers to promote their own interests.

The Insurance Analogy.

Duncan G. Bellows:

They tell us that a central bank might be a mutual organization of all the banks, and each small bank would be protected from usurpation of power because it would have a voice in the management. Yes, they used to tell us the same thing about the great mutual life insurance companies. But what good did it do for a policy holder to protest after a few of the big ones got control? The twenty thousand banks of this country scattered from the farthest wilderness to the heart of the metropolis, will never run the risk of being dictated to, or dominated by a bankers' trust. Most of the bankers are coming to realize the advantage of combining for the purpose of issuing currency, but you can never convince twenty thousand Amer-

ican bankers that there is any advantage to be gained by combining under special privilege to receive deposits or to discount paper, because they will recognize the idea as un-American and unpatriotic.

NEW OFFICERS AT RICHMOND.

AT an unusually interesting and lively meeting on May 8, Richmond Chapter held its annual election of officers and of delegates to the national convention at Providence. Heretofore the elections of officers and delegates have been held at separate meetings but, owing to the adoption of our new constitution last September, which prescribes the election of officers to be held in May, it was thought advisable at this season to hold both elections at the same meeting. There was a large attendance and the result of each nomination was watched with keenest interest.

Following are the successful candidates who will take office in September: President, H. G. Proctor, National Bank of Virginia; vice-president, D. W. Durrett, American National; secretary, Clinton L. Williams, Capitol Savings Bank; treasurer, J. M. Ball, Jr., National Bank of Virginia; board of governors, W. W. Christian, National State Bank; A. S. Cherry, Planters National; G. Jeter Jones, Merchants National Bank; D. E. Mountcastle, First National, and E. L. Word, Broad Street Bank. Delegates at large, W. W. Nealé, G. H. Bates, H. F. Talbott, W. W. Dillard, Clinton L. Williams, G. Jeter Jones and John S. Haw. Alternates, Geo. N. Sanders, A. L. Archer and George H. Keesee.

All of these men are enthusiastic Chapter workers and it will not be the fault of our new board if the Chapter does not keep the pace which has been set for it in the past. Four new members were admitted at this meeting and we are confident of enrolling many more.

The Virginia Bankers Association, at its convention last June, decided to inaugurate the Group System and the committee appointed to arrange details have divided the state into five groups, each of which will shortly hold its initial meeting. Much interest is being manifested in local circles in the meeting of Group No. 2 on May 23 in Richmond. Chairman W. M. Addison, cashier of the National Bank of Virginia, has devoted much time and work in an effort to have a large attendance at the first meeting of his group and make a success of the movement in this section. The number of favorable replies to invitations sent out are very encouraging and the local bankers have arranged a program which will make their guests sit up and take notice.

Yours very truly,

H. G. PROCTOR, *Secretary.*

E. A. HAVENS.

Institute Career of Providence's Candidate for Member of the Executive Council of the Associated Chapters.

E. A. HAVENS has been in the front ranks of workers since the inception of Providence Chapter. He has held the office of vice-president, and during the two years of his presidency the success of Providence Chapter was very marked. It was during this time that the membership increased from 125 members to 230—a gain of 84 per cent.

He has been selected by the chapter to represent it as a delegate at the last three conventions, and it was in a great measure due to his personal efforts and hard and conscientious work that the delegates at Detroit last year voted to favor Providence as the Convention City of 1908.

He has also held the office of treasurer of the Associated Chapters, and has been on Associated committees.

At the present time Mr. Havens is chairman of the "Providence Chapter Convention Committee," and by his laborious efforts plans have matured to such an extent that Providence Chapter has no hesitation in saying that the delegates to the convention the third week in July will be furnished with a delightful and elaborate plan of entertainment.

Mr. Havens has been selected by Providence Chapter and has been unanimously approved by the New England Chapters. His wide popularity and personal friendships formed at conventions and in attending to official and committee duties make it probable that his candidacy will meet with very little opposition. The interests of the Associated Chapters will be well served by the election of a man of the ability, character and integrity of Mr. Havens.

THE CHICAGO ELECTION.

THE votes received by the two highest candidates for each of the offices in the recent Chicago Chapter election were as follows: President—Geo. A. Jackson, 399; C. Frank Spearin, 204. Vice-president—Arthur A. Briggs, 337; Craig B. Hazlewood, 264. Secretary—Chas. G. Fisher, 323; Geo. H. Tomlinson, 277. Treasurer—Geo. R. Martin, 297; S. G. Ingraham, 292. Executive committee—Leigh Sargent, 344; H. S. Smale, 238; Robt. I. Simons, 203; Benj. B. Bellows, 191; R. G. Gadsden, 185.

Drawn especially for THE BANKERS MAGAZINE by Raymond R. Olson.

PITTSBURGH ELECTION.

IN one of the most exciting elections in the history of the Pittsburgh chapter, held May 26 in the chapter rooms, Fred T. Loeffler of the Lincoln National Bank was re-elected president, while the balance of his ticket, with one exception, went down to defeat before the Rovensky-Coll ticket.

The following is the ticket elected: President, Fred T. Loeffler, Lincoln National Bank; vice-president, E. B. Coll, Farmers Deposit Savings Bank; secretary, B. O. Hill, Second National Bank; treasurer, A. G. Wells, Pittsburgh Bank for Savings. Directors: E. S. Eggers, Union National Bank; J. R. Jones, City Deposit Bank; D. H. Thomas, Commonwealth Trust Company; J. Howard Arthur, Peoples National Bank; A. W. Schreiber, Carnegie National Bank, and S. M. Shelly, Bank of Pittsburgh, National Association.

While the ballots were being counted James W. Wardrop of the banking firm of H. P. Taylor & Co. made an address on "Smiles."

The chapter now has a membership of 757, and is growing, having received 35 new members during the past year. Arrangements have been completed for the trip of the local members to the national convention. About 25 delegates from Pittsburgh will attend.

THE ST. LOUIS ELECTION.

THE St. Louis Chapter elected officers for the ensuing year as follows: President, R. R. Clabaugh; vice-president, Thomas F. Chamberlain; secretary and treasurer, W. A. Wilkinson; members of the board of governors, W. W. Smith, J. W. Meier, J. J. Scherrer, Jr., and Harry A. Stix; for delegate at large to the national meeting, J. J. Scherrer, Jr.; other delegates, L. M. Carr, W. A. Wilkinson, R. R. Clabaugh, S. L. St. Jean, J. M. Turley, Thomas F. Chamberlain, J. F. Weiser, L. W. Fricke and W. A. Dorris. President Clabaugh is private secretary to the president of the Mississippi Valley Trust Co.

PROVIDENCE WINS THE DEBATE.

THE Providence Chapter debate team, consisting of Charles L. Eddy, W. G. Meader and F. L. Hall, won the debate with the New York chapter team on the evening of May 16. The winners upheld the negative side of the question: "Resolved, That the best interests of the country demand government guarantee of bank deposits."

A. I. B. WRITERS.

THE last number of "The Eagle Eye," house organ of the Cleveland Trust Co., contains this:

What is being accomplished in the study of practical banking and financial problems by The American Institute of Banking is illustrated in a recent number of The Bankers Magazine of New York, which is the leading banking monthly in the country. Four of the writers in that number were young men whose study of these subjects was inspired by the Institute, and whose ability to write about them in a standard banking periodical is in part at least due to the Institute's training.

S. T. HENRY, WASHINGTON'S CANDIDATE FOR VICE-PRESIDENT.

WASHINGTON Chapter's fourteen delegates, with John Poole as chairman, are suporting S. J. Henry for Vice-President of the Associated Chapters.

Washington's candidate has received high honors at home. He has risen to a high position of trust with the National Savings and Trust Co. and has established, as Recorder of the Associated Chapters this year, an enviable record and one that will be hard to surpass.

The man for the position of Vice-President should be one thoroughly versed in Institute affairs, have the interests of the Chapters enthusiastically and everlastingly at heart, and above all be a man of no mean ability and ideas.

Such a man is Mr. Henry and Washington's delegates unhesitatingly offer his name for the Vice-Presidency, feeling positive that he is the man for the place, that the place needs a man of his calibre and that to elect him as the personification of independent and up-to-date ideas will be in line with the policy to be pursued in the election of officers at the Providence Convention.

Edmund S. Wolfe,
Vice-President.

"You can't quite boast of belonging to one of the old families of Europe," said the irritating friend.

"No," answered Mr. Cumrox, glancing at the check book wherein was written his daughter's dot, "but one of the old families of Europe comes pretty near belonging to me."—*Exchange.*

+

When a foreign nobleman marries an American heiress is he not *check*-mated?—*Lippincott's.*

LETTERS TO THE EDITOR

REDEEMING BANK NOTES IN GOLD.

Brazil, Ind., May 25, 1908.

Editor Bankers Magazine:

Sir: Referring to an item in regard to this bank on page 598 of the April issue of your Magazine, it will be of interest to you to know the conditions under which we have determined to redeem the circulating notes of this bank at our counter in gold coin.

During the Presidential campaign of 1896 in which Mr. Bryan was defeated on his sixteen-to-one silver policy, quite a number of the politicians in this neighborhood were expressing the opinion that the gold coin in the United States was being hoarded by the banks, and that the common people could not exchange paper money for gold coin. At that time this bank held only a small amount of gold, and had a very small volume of circulating notes outstanding.

The directors of this bank, on August 25, 1896, passed a resolution: "That until otherwise ordered, the cashier is authorized to redeem any of the circulating notes of this bank that may be presented at our own counter in gold coin at par." This resolution is still in force.

The effect of the resolution at that time was not only to stop the drain on us for gold coin, but the friends of the bank added to our stock the gold coin in their possession, and expressed a great deal of satisfaction with an approval of the course we had adopted. The entire redemption of our circulating notes under that resolution up to the date of the Presidential election in November, 1896, was only one per cent. of the amount of our circulation outstanding, and within the next year (1897) the business of the bank had doubled in volume.

Very truly yours,

Charles S. Andrews,

President First National Bank.

Los Angeles, Cal., May 19, 1908.

Editor Bankers Magazine:

Sir: Our Bankers Convention has just adjourned, and I believe it was the most successful we have ever had in this state. The feature in which I was most interested was the movement for a State Clearing-House Association. I started this movement some little time ago by conducting a series of investigations, which I followed up by a letter, a copy of which is enclosed.

At the convention a committee of fifteen were appointed at the opening and drafted recommendations, a copy of which is enclosed. These recommendations were unanimously adopted and a committee appointed to form the State Clearing-House Association. This committee, of which I am a member, will proceed at once to organize the association.

The banks of San Francisco have already organized a Clearing-House Association and maintain their own independent examiner. The same is true in Los Angeles, and these two cities will form two districts of the State Association, the balance of the state being divided into districts in accordance with location. This is a new movement, and we are hoping for great results. I know of no other state where this has been done, and if you know of any, I shall be glad of the information because I may be able to get some ideas from the experience of others.

When we get our Clearing-House Association perfected and a good currency law, we ought to be able to have a banking system that will be as safe and efficient as that of foreign countries.

C. E. Woodside.

Employer—"What are you doing now?"

Cashier—"Footing the cash, sir."

Employer—"Oh, all right; keep your hands out of it, though."—*Boston News Bureau.*

+

Visitor (in prison)—"And that convict standing over yonder?"

Guard—"He's a trusty."

Visitor—"Indeed! What trust was he connected with, if I may ask?"—*Puck.*

NEW JERSEY BANKERS' CONVENTION.

BANKERS of New Jersey met at Atlantic City on April 24 and 25 for their fifth annual convention.

The opening session was called to order by President Henry G. Parker and the address of welcome was delivered by Mayor Stoy of Atlantic City.

After the response by the president, J. Shirley Eaton of New York delivered an interesting address on the topic of "Higher Education for the Preparation of Bankers." He was followed by Hon. Alexander Gilbert, president of the New York Clearing House Association, who spoke enthusiastically of the part which the Clearing House played in the panic of 1907.

Other addresses during the first day's proceedings were made by A. W. Rankin, New Jersey Manager National Surety Company, who spoke on Burglary Insurance; Hon. James Baker, Jr.; Robert D. Kent and W. F. Linn.

C. HEPPENHEIMER

President New Jersey Bankers Association.

One of the pleasantest features of the Convention was the magnificent banquet supper served in the hotel on the evening following the first day's session.

President Parker acted as toastmaster and introduced Governor Fort of New Jersey as the first speaker of the evening.

Governor Fort gave an excellent review of the tax question, bringing it home to the bankers present that he was ready to stand with them for fair and reasonable taxation and promising to do all in his power to procure such legislation.

Toward the close of his remarks he said: "Let the State Board of Assessors, the machinery which we have now established for the assessing of railway property, assess all the banking institutions of the state on the basis of their actual capital, without regard to their surplus or undivided profits, and let the bank pay the tax directly to the state, returning to the state a list of their stockholders, with their residence, and let the state distribute the tax thus received back to the localities in which the stockholders reside, where residents of this state, and to the place where the bank is located as to non-resident stockholders, and then we should secure equal, full and equitable taxation."

The president next introduced Hon. Joseph F. Johnson of Alabama, who kept the assembled guests in a high good humor by his clever stories and amusing incidents. He was followed by Hon. Wm. S. Witham of Georgia, who was introduced as the "John D. Rockefeller of American Finance."

Speaking of the criticisms that have been made of New York bankers since the panic of last fall, for their manner of dealing with outside banks at that time, Mr. Whitham said:

"The first is this: That they hoarded their currency and would not send it out into the country districts. Listen! They sent you more than you sent them, and when you piled up balances by checks on Baccarrat or Timbucktoo, and demanded currency printed in Washington, you were going far beyond your just deserts. For twenty years I have dealt with the New York bank presidents, and I am here to say to you that they have never made a statement that was not true and never promised anything that was not done. While other things may be said against the Clearing House, you and I must admit that more times than one they have saved you and me from the vortex of commercial insolvency, and but for the timely rescue of the situation during the month of November, every one of us would have gone broke together."

The second day of the convention was given over to the president's address and the reports of the various committees and officers of the association.

Secretary Wm. J. Field was instructed to cast the ballots for the election of officers as named in the report of Committee on Nominations and accordingly the following men were elected: William C. Heppenheimer, as president; Edward L. Howe, vice-president; W. F. Arnold, treasurer; executive committee, Bloomfield H. Minch, Herman M. Sypherd and Hullings Lippincott.

INGENIOUS METHODS OF HIDING MONEY IN CUBA.

THERE are some excellent savings institutions in Cuba. But for generations people with money have been accustomed to hide their cash in various nooks and corners about the home or the farm, supposing it to be safer there. Several reasons may be given why this habit has prevailed in Cuba. One is that in olden times the government was accustomed to do a little taxing on the cash surplus of a rich man. Often this taxation counted up so fast that the principal was consumed in a few years and the government got it all. Then, again, in the days of old, when pirates were bold, the looters did not hesitate to seize any man's bank fund and take it away. The government was not at all backward in confiscating any idle cash deposited in the name of some man in a convenient bank, if the Government happened to want any ready money for war or other purposes. Then, again, the old-time banks were not so very safe. The laws were not as they are now. There were frauds and tricks of all descriptions. The result was that the Cuban people adopted ingenious systems of hiding their money at home, and this custom has not outlived itself completely in many of the rich sections of the country. The writer has been traveling in Cuba for the past two years and has taken note of some of the odd ways of concealing cash. It may be said that the former methods of putting money and jewels away are being discontinued very fast. The younger generation have more confidence in the banks and are putting savings away where three per cent. interest can be obtained. On the other hand, the traditions of old prevail in many communities and the hiding-places hold much concealed treasure.

Front of a Bank in Havana.

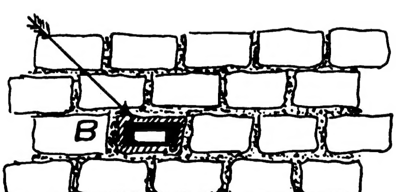
The annexed illustrations explain the modes adopted by some people for hiding cash and valuables.

One party chose a birds' nest in a tree as at (A), figure one. It is stated that this place was used for twenty years for hiding money and jewels. The residence had been looted a number of times during various raids and revolutions within that period, but the raiders had never suspected the bird-house in the tree. The bird-house was pointed out with pride by one of the sons, for the reason that with the death of the parents, the valuables had been removed by the children and placed in one of the Ha

vana banks. In another case, the wall of a building was chosen, as in figure two. A man with considerable patience hollowed out one of the stones in this wall. It is stated that five days were consumed in chipping out the hollow. Then within this hollow the little casket containing jewels and money was placed as at (B). Then a stone slab had to be cut to replace the front with-

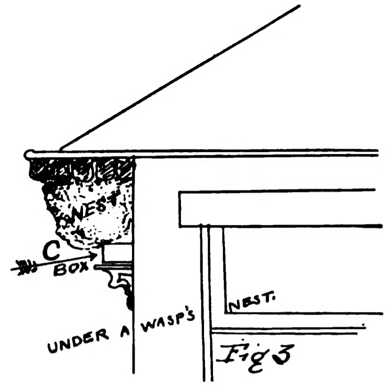
out showing any break. This required two days more time. The piece of stone was slipped into place and sealed with cement. In order to remove the stone front, tools were required each time. But this hiding-place served for years and exists now.

One man thought he had found a most effective hiding-place when he put a shelf up under the eaves of his house for holding tne cash-box as at (C), figure three. This place was chosen partly because of the existence of a small hornets' nest there. Robbers as a rule will not take much interest



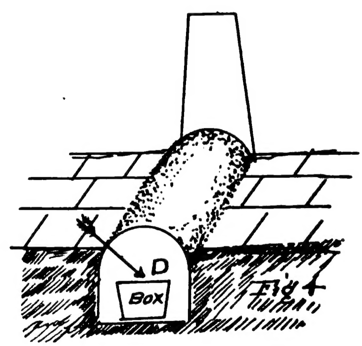
IN A WALL
Fig 2

in searching a place in the vicinity of a nest of wasps or hornets. But the home of the insects grew. In fact, after a few months the nest expanded to the box and the box could not be gotten at without danger of getting stung. Therefore, the owner was obliged to hire two bee experts to come with nets and ladders and remove the box. A wasp stung through the man's hand-protecting mit just as the man grasped the box, and the box fell to the pavement below and some small pearls were scattered about the place. Several hours were consumed in finding the lost valuables. I was



told that the man vowed he would place his valuables in a depositary in Havana after this event.

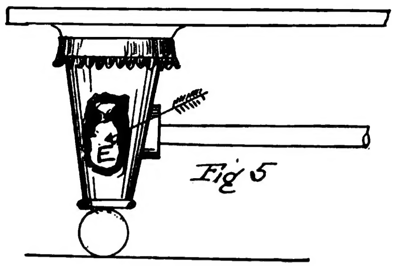
Then the story is related of the man who hid his cash in the foot of a sham grave. What looked like an abandoned grave existed in a lonely place in a field near a grove on a certain plantation. There were stories in circulation concerning this grave, the stone of which carried no engraving of a name. Some said a favorite dog had been buried there. The plantation hands



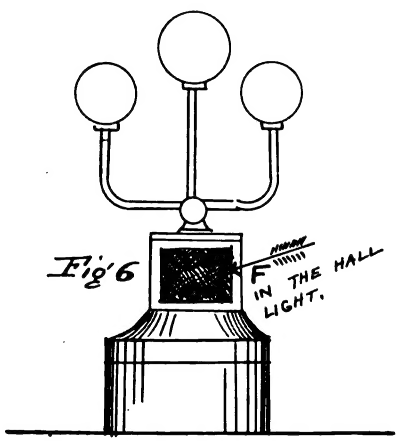
talked. The neighbors talked. There are stringent laws concerning burials in Cuba. Many persons have had to pay fines due to neglect of some details of burial. No registration of the lonely grave could be found in the town records. The grave was ordered to be opened, as some had hinted at murder, etc. A box of gold was found in the bottom of the grave, as at (D). The box was taken charge of and sealed. There was not much in it, but what there was proved to be the genuine article. The box was several times larger than necessary. It seems that a plantation hand buried this money there, having saved it in years of work. He had

died, and the box was found only after the grave was opened.

Another odd place for hiding a bag of cash was in a hollowed table-leg. Cuba is



noted for its ponderous articles of furniture. There are table-legs with ample surface for hollowing for a secret chamber as at (E). Usually a tightly-fitting door is made and when this is closed the bag is quite well concealed. Then the hall light stands are not overlooked in some of the homes of the Spanish and the Cubans. The natives of the



country love to have plenty of hall light. These hall lights are often fixed to elaborate stands, as in figure six. In this case, the stand was made with a door in front and the money was concealed back of this door at (F). This proved to be a very effective hiding place, I am told, for some years, until one night the house burned down and the money went with it.

TRAVELLER.

CHINESE FINANCIAL CHANGES.

CONSUL-GENERAL JAMES W. RAGSDALE, of Tientsin, supplies the following information concerning Chinese banking and monetary changes.

The exchange banks of Tientsin have notified the import merchants that from June 1, 1908, the present procedure in regard to the delivery of imports will cease, and that the proceeds of all goods delivered before the maturity of the relative bills will have to be paid to the banks on the delivery of the goods. Heretofore merchants of good standing have been permitted to withdraw the goods and deliver to purchasers prior to the time of maturity. This new rule may interfere with trade for a short time, but will, in the end, be a great protection to the merchants, who have frequently suffered severe losses on account of the failure of native merchants.

The director of the Tientsin mint has been instructed to consult with the viceroy about the coinage of bona fide one cash coins which will not have any hole in tne center and will be current at ten to the cent. The Empress-Dowager has instructed the officials to call in all the old pierced cash and issue the new coins in their place, and the new coins are to be accepted everywhere at face value.

In view of the good business done by the National Bank of China at Peking and the various other treaty ports and big cities, the Chinese Government has now issued the following new regulations about the extension of its trade:

(1) The capital of this bank will be increased from 5,000,000 to 10,000,000 taels (tael about 70 cents), which sum will be divided into 100,000 shares of 100 taels each; (2) the board of finance will see that no foreign subjects are permitted to become shareholders of this bank; (3) the shares are only transferable among the Chinese people, and they will be canceled and made null and void if the holders sell them to the subjects of any foreign countries; (4) the head office will be established at Peking with branches and agencies at the various treaty ports and big and important business centres throughout the Chinese Empire; (5) the bank is the National Bank of China, but it will transact all descriptions of banking business in the same way as foreign banks in this country; (6) the power of issuing notes will only be invested in this bank; (7) the bank may perform all financial affairs for the Imperial Government of China; (8) in case of monetary crises in any province the directors of the bank are at liberty to memorialize the board of finance for assistance; (9) the bank is placed under the control of the board of finance; (10) the term of franchise granted to this bank by the Chinese Government is thirty years; the term may be extended by permission of the board.

The new issues for shares by the bank have been largely oversubscribed, applications being made as soon as it was known that there was to be an additional capital. This is a notable change coming over public thought and enterprise. The bank has been well managed and is paying.

THE GERMAN REICHSBANK.

Its Legal Status and Mode of Transacting Business.

CONSUL WILLIAM C. TEICHMANN, of Eibenstock, furnishes the following information, compiled from a German publication, and also facts which he secured concerning the development of the leading financial institution of Germany:

The Reichsbank is not a Government institution; on the contrary, it is a stock company, whose shares can be traded on the stock exchange, like those of any other corporation, but it holds an exceptional and privileged position, in so far as it is exempt from German commercial law, being subject solely to the banking law of March 14, 1875, by which it was created. Control of the bank is confined by law to the supervision of a central committee as an advisory and consultant body to a board of directors and its president. The central committee represents the stockholders, and the directors and its president are appointed by the Government. The bank is free from the influence of an private interests, even that of the stockholders, save as their committee is consulted by the board of directors. The imperial chancellor has the right to supreme control, but practically the responsibility for its management rests with the board of directors, and most of all with its president.

The president receives an annual salary of 40,000 marks ($9,520), with the privilege of residing in the bank building, rent free. The vice-president receives a salary of 18,000 marks ($4,284) per annum, and each of the other seven members of the directorate from 9,000 to 15,000 marks ($2,142 to $3,570) per annum, with an allowance of $350 each for rent. As the income of managers of private banks, because of extra percentage remuneration, largely exceeds the Reichsbank salaries, the directors repeatedly resign their positions to take offices in private banks.

Capital—Note Issue—Reserve Fund—Dividends.

The capital of the Reichsbank is $42,840,000, and, notwithstanding that no interest on deposits is paid, its deposits at the close of 1907 amounted to 658,000,000 marks ($156,604,000). Its business has increased to such proportions that 480 branches have been established in that number of communities throughout the Empire.

The Reichsbank has the right to issue bank notes according to its needs, but is compelled to hold as a reserve in its treasury, as security for its circulating notes, at all times an amount of German money equal to one-third of the notes issued. This German money means gold, silver, nickel, and copper coin, the thalers issued by the former independent German States, gold in bars, or foreign coin, the remainder to consist of discounted promissory notes, with maturity limited to three months and guaranteed by responsible solvent creditors.

The reserve fund of the bank includes as security for its notes legal tender. In doing so the legislators took into consideration the non-circulating and non-interest bearing gold held in reserve by the Government in the Julius Tower, at Spandau, near Berlin, amounting to 120,000,000 marks ($28,560,000). The volume of legal tender uncovered by metal which has been issued by the Government as "Reichskassenscheine" amounts to the value of the gold reserve at Spandau, which is supposed to represent the metal reserve for this legal tender, although there is no legal stipulation to this effect, hence its classification in the assets of the Reichsbank. The Reichsbank is required to cash immediately upon presentation at the Central Bank at Berlin all its notes in German money recognized as current and all notes presented at its branch institutions so far as the cash supplies and money needs of the branches permit.

The issue of bank notes above the fixed legal limits involves a tax of 5 per cent. on all notes not covered by metal, and necessitates a raise in discount whenever such an emergency arises. The total amount thus paid by the bank to the Government as note taxes since 1898 up to January 1, 1907, was 17,000,000 marks ($4,046,000). The bank's metal reserve and legal tender on January 1, 1908, covered 41½ per cent. of the bank notes issued, the legal minimum of the reserve being 33 1-3 per cent.

The annual divided of the bank is 3½ per cent., the remainder of the profits being divided between the Imperial treasury and the stockholders, the first receiving three-fourths and the latter one-fourth thereof. Including the regular dividend of 3½ per cent., each share yielded a total profit of 8.22 per cent. in 1906.

IMPROVING THE NATIONAL BANKING SYSTEM.

By Charles A. Wright, President Superior National Bank, Hancock, Mich.

IN the present general discussion of financial questions much has been said in favor of the central and branch banks of Canada. That the Canadian system of banking and currency possesses some important advantages over that prevailing in the United States today must be generally admitted; nevertheless, a very natural development of the latter would secure all of these advantages and more, while the former could never be made to harmonize with conditions as they exist in this country.

One of the chief advantages of the Canadian system is its centralization of banking power; and it is in this respect that the American system is most deficient, having many thousands of independent banks, isolated units, with absolutely no power to combine for mutual advantage. This serious weakness can be remedied at once, under the present National Bank Act, by the organization of a Central National Bank to be owned and controlled by the banks of the country, the stock to be temporarily held by their representatives, officers or directors, until legislation can be enacted authorizing the banks themselves to own such stock.

The total banking power of 19,476 banks, including both state and national banks, on June 29, 1907, consisting of capital, surplus and undivided profits, is given at $17,149,532,472. If about sixty per cent. of these banks should join in the organization of a central bank, on a representative basis of one per cent. of their banking power, it would afford a capital of $100,000,000, which would be ample for all purposes. The individual deposits of the same banks on the above date are reported as amounting to $13,654,535,348. If a portion of the reserve against these deposits was carried in the central bank—say two per cent., which would be a moderate estimate—it would add to its resources $273,000,000. Such a bank would naturally be made the central fiscal agency and depositary of the government, there being no sufficient reason why it should not transact its banking business as is done by the people, depositing its receipts and making payments by checks on such banks as, under its own supervision, it deems deserving of the confidence of the public. Government and other deposits would most likely swell the resources of this central bank to $500,000,000, and with power to issue circulating notes up to the amount of its capital, an additional $100,000,000 might be added if occasion required. With these immense resources it would be the most powerful financial institution in the world, composed of an association of the banks of the nation, each with a fair representative voice, according to capital, in its policy and management, co-operating for their mutual benefit and the general welfare, free from politics and selfish motives.

Advantages of the Proposed Institution.

A central bank thus organized would establish the necessary medium for the concerted action of all the banks in the country in times of stress or panic, and for all desirable purposes. It would serve as a powerful regulator of interest rates, commanding not only its own unequalled individual resources as a steadying influence on the market rate for money, but also by its close affiliation with thousands of other banks throughout the land, whose agent it would be, it could be the means of utilizing the surplus funds of one section of the country to relieve the stringency existing in another, loaning money for its correspondents and to its correspondents. It would be a powerful bank of rediscount for its associated banks, extending to them on application loans on approved securities or rediscounting their commercial paper, and through its continuous and intimate relations with these banks would be in a position to intelligently and effectively extend to them its aid and counsel at all times. As an agent for the distribution of loanable capital its power would be of incalculable value, and each locality would not only be served by its own bank, but through the central bank it could draw the assistance of other communities which might have available funds to loan; all of which would tend to promote the general strength of the banks and confidence of the people. This central bank could also be made a great clearing-house bank for maintaining the parity of domestic exchange, which would exercise the usual function of clearing houses for facilitating the exchange of bank collections. For this and other important reasons it should be established in the City of New York, which is pre-eminently the financial center of the United States, and the only point on which exchange is generally at par in every American city. Almost every bank in the country is obliged to keep a New York bank account, and for the purpose of making exchange which will be generally accepted at

par it is unnecessary to keep any other. Bills of Exchange on other cities have not this quality of general parity and are frequently taken only at a discount. Every associated bank could send to the central bank in New York its checks on other associated banks for immediate credit at par, the same being on receipt charged by the central bank to the banks on which they are drawn and sent to them subject to ultimate payment. In this way great loss in interest, discount and collection charges could be saved as compared with present practice, the use of checks and bank drafts would be stimulated, the demand and necessity for actual currency reduced, and many commercial operations greatly facilitated.

A Central National Bank owned and directed by the associated banks of the country would be the best possible authority for the issue and redemption of a bank note circulating medium, whether in the form of clearing house certificates, notes based on specific securities, or a general credit currency as adopted in Canada, which years of experience have shown to be under proper regulations safe, and capable of practically automatic contraction and expansion according to the demands of trade and commerce. All National Banks might advantageously be permitted to issue for circulation, as do the Canadian banks, their demand notes up to an amount equal to their paid in capital, secured by a first lien on all of the assets of the issuing bank, including the double liability of its stockholders, and a five per cent. fund contributed by all the banks, subject to an assessment pro rata to redeem the notes of any failed bank and which must be replenished if reduced below the five per cent. limit. Statistics of failed banks, after many years of experience, have shown that a currency thus secured would be absolutely safe. To make such a currency elastic there must be a bank redemption agency, and for this purpose a central bank in New York representing the associated banks of the country would be admirably adapted, and it is probable that no other redemption agency would be required. The operations of the Suffolk Bank of Boston, as redemption agent of the New England banks, have shown conclusively how effective and economical is a bank redemption agency located at a center with which all banks necessarily have pecuniary relations, to which they may send the notes of other banks for credit at par, which are thereupon redeemed and charged to the accounts of the issuing banks. The distinctive characteristic of the Suffolk system, so called, was a central bank redemption, and when it was suppressed by the National Bank Act, it has been well said, that it was "utilizing nearly every expedient to secure safe and conservative banking that were then, or have since been, incorporated in our National Banking system or in that of Canada." It was abandoned with hesitation and regret for a necessary expedient of the times which has outlived its usefulness. To quote further "Before the war when commercial expedients were much less effective than now, upon a basis of less than $50,000,000 average circulation of the New England banks for which it acted, the redemptions of the Suffolk Bank, during its later years amounted to $400,000,000 annually—of which but an insignificant fraction were the mutilated and dead currency redemptions which, the mere incidentals of an effective currency system, are about the only uses our Federal system subserves." Any number of government redemption agencies scattered all over the country would not add materially to the efficiency of our present system. With unimportant exceptions, in this country bank notes are sent for redemption only because they are mutilated or unfit for circulation. In Canada they are said to be sent to head offices of the banks for redemption, because each bank is trying to retire the notes of all the other banks for the purpose of keeping its own notes in circulation. But, in all probability, the effective redemption by the Suffolk Bank was due to its location in Boston, the financial center of the New England States, with which all New England banks had active business relations, and on which center they found it necessary to draw bills of exchange which would readily be accepted at par. They sent bank notes to the Suffolk Bank for collection and credit precisely as they did checks and drafts, and they were redeemed on receipt and charged to the issuing banks. This would not have been possible if the Suffolk Bank had been located at Hartford or Bangor, or if it had simply sent back new notes, instead of giving credit on which bills of exchange could be drawn which would generally be accepted at par. For this reason an American Central Bank should not be located in Washington or Chicago, nor in any city but New York, the recognized financial center. There is no tax on bank circulation in Canada and there should be none in this country. After the necessary provisions for absolute safety, currency should be made as cheap as possible. No one wants it except for purposes of trade and commerce, the development of which is essential to prosperity. For these purposes all possible facilities should be granted, and the government is in duty bound to make provision for a medium of exchange, which shall be not only sound in quality, but also of sufficient quantity and at the cheapest possible cost to the people, who ultimately carry the burden of interest and taxation.

Canadian System not Adapted to our Needs.

The advantages of the Canadian system of branch banks may be summed up under the heads of centralization of banking power, convenience and economy in the interchange of business between banks, and an elastic bank note currency, all of which can be more effectively realized by our own banking system, through the organization of a central bank controlled and directed by a co-operative association of our existing banks, and legislation which shall authorize and regulate their holdings of its stock, and which shall empower them to issue bank note currency with the same safeguards and conditions, which many years of experience in Canada have proven to be sufficient to insure its safety and elasticity. To secure these advantages the branch banking system is neither necessary nor desirable; on the contrary, in this country it would be considered autocratic and un-American, and as opposed to our political principles and the spirit of our Republican institutions. It is paternalistic and not representative in character. It lodges too much power and discretion in one man and is without local responsibility and identification. The responsible men at the head of the central banks of Canada while possessing general knowledge and ability are not in direct touch with local affairs; their branch managers as a rule are inferior to the president and board of directors of a local bank in sense of responsibility, in understanding the requirements of a community, in interest in its development, and in power and influence in representing its rights and necessities. The Canadian banking system like all autocratic and centralized forms of government has an element of strength, but it is not competent to do justice to all sections and communities, and would be as unpopular in the United States as an autocratic form of civil government. The people of this country desire to be fairly and directly represented in their financial and industrial interests quite as much as in those political. The banking business in cities and villages is so frequently interwoven closely with local affairs, that it would be intolerable under such circumstances for most Americans to be dependent, for their financial means and conveniences, upon a branch bank manager and his chief, who most probably have no direct knowledge or interest concerning their local necessities or requirements. Such a branch bank would have little chance of success in competition with an independent bank whose capital stock is held by local people, and whose board of directors and officers are composed of representative men identified with the growth and prosperity of the locality. But, by a co-operative association, including the organization and operation of a large central bank controlled and directed by the banks themselves, the banks of this country could very readily exercise all of the desirable functions of branch banks, in facility of business relations, concerted action and combined power, without losing their local independence, responsibility, and distinction which, in this country at least, are considered conducive to the welfare and progress of a community. With the power to organize a national bank with only $25,000 capital there is scarcely a place that cannot have its own bank if in need of one, and in a central bank combination with other banks additional capital would be quite as available for loaning purposes as under a branch banking system.

Should be a Voluntary Association.

The American central bank should be established by the voluntary association of the existing banks, which should own its capital stock and direct its operations. It is needed and should be organized at once under existing laws. It would immediately acquire all of the advantages of the Canadian system of branch banks and more, excepting the power to issue credit currency, which probably would eventually be conceded by congress. There is little doubt also that congress would authorize by legislation the banks to directly hold stock in such a central bank in proportion to their capital, or that any legislation would be lacking along after its organization for the development of the scope of its operations, in such respect and degree as might appear necessary to its complete success. As stated, a central bank thus organized would be a natural and harmonious development of our existing system of banking. A central bank with branches would not. It should not be under government control, because it should be free from political influences and motives. It should be managed by a board of directors selected by the banks for their known integrity, knowledge of finance, and experience in the banking business, and there seems no good reason to doubt, that a co-operative association of this nature whose purposes are necessarily from the beginning mutual benefit and the national welfare, and whose stockholders' interests are constantly limited by their individual capital, would fail to select men of the highest qualifications who would regard it as an honor and duty to serve in such capacity. To ascertain whether the banks would join in such an organization, letters were sent by the writer on February 1, 1908, to members of the American Bankers Association setting forth its advantages and asking for replies. Of the answers received 604 were in favor of a central bank, 390 were

willing to join at once in its organization, and 214 desired previous legislation; 568 were opposed to a central bank in any form, and 175 were undecided. Within the past few years the sentiment in this country in favor of a central bank has noticeably increased, and many of the most prominent bankers and financiers have openly advocated it as the most comprehensive means of banking and currency reform.

Congress is not likely to create such a bank, and probably could not do so without incorporating elements of disturbance. The banks already have it in their power to organize this institution in a way to secure their most effective co-operation, and as a natural development of the present banking system.

READY MONEY IN MEXICO.

According to the "Mexican Herald" money circulates in Mexico from pocket to pocket. Almost every Mexican in professional or business life carries on his person anywhere from $200 to $800. Even the poor Indian in his blanket can more than likely produce a greater sum than the average traveler.

It was but a few days ago that an instance of this kind was brought to attention. One Mexican of the middle class asked another in a casual way if he could change a $1,000 bill. The other pulled out a wallet from his inside pocket and counted out nearly $2,000. Time after time this has happened, and it seems no uncommon thing for a Mexican of the middle class to carry between 1,000 and 2,000 pesos on his person.

The check idea seems to have taken but small hold as upon the citizens of Mexico, especially when amounts of less than $1,000 are concerned. They consider it much easier to pay spot cash than to give a check for amounts of $50 and $100, and maintain with some amount of reason that a business deal can be put through with better advantage when the cash is in sight.

Even the Indians in the street carry amounts of cash that would never be supposed to be in their possession. They carry their money in a leather belt, fastened around their bodies inside their trousers. These belts are hollow, and are open at one end. Into the open end the Indian slips his pesos or bills until he has the whole fun. The belt then is either taken off and hidden away, or the bills are changed for larger denominations and still carried around the body. To the Indian, money is money, and a bank book stands for nothing in his way of reckoning. A check he will not accept under any circumstances, because he does not understand it.

A POINT FOR THE NEW LAW.

Bank Superintendent Clark Williams has certainly made a strong point for the new law of the state of New York, of which he was sponsor, making the banking department the official liquidator of failed financial institutions. In putting the Home Bank of Brooklyn on its feet in forty-two days at a total cost of $1,200, of which $666 was the salary of the bank department official to act as receiver, the bank superintendent has demonstrated both the efficiency and the cheapness of the new system as compared with the old. The receivership of the Williamsburg Trust Co., which lasted five months, cost $40,000, and while the Home Bank is a much smaller institution, the difference in size does not explain the difference in cost of liquidation.

That is attributable only to the change in system, and this change in system is one of those reforms by which the state of New York has immensely improved the stability of its banking.—*Wall Street Journal.*

MEMBERS OF THE NATIONAL CURRENCY COMMISSION.

On the part of the Senate:

Hon. Nelson W. Aldrich, Hon. William B. Allison, Hon. Julius C. Burrows, Hon. Eugene Hale, Hon. Philander C. Knox, Hon. John W. Daniel, Hon. Henry M. Teller, Hon. Hermando D. Money, and Hon. Joseph W. Bailey.

On the part of the House:

Hon. Edward B. Vreeland, Hon. Jesse Overstreet, Hon. Theodore E. Burton, Hon. J. W. Weeks, Hon. R. W. Bonynge, Hon. S. C. Smith, Hon. Lemuel P. Padgett, Hon. George F. Burgess, and Hon. Arsene P. Pujo.

"A man has to draw it fine these days."

"What do you mean?"

"Staying ten minutes after office hours each day will probably make a good impression, but staying fifteen is liable to excite suspicion that you are monkeying with your books."—*Des Moines Register and Leader.*

MODERN FINANCIAL INSTITUTIONS AND THEIR EQUIPMENT

FIRST NATIONAL BANK, BOSTON.

THE First National Bank of Boston has moved into its new building at the corner of Federal, Franklin and Congress streets. The completion of this magnificent banking house marks a new epoch in the history of this well-known institution, which has come to occupy a prominent place in the commercial life of New England, largely on account of the extensions and consolidations which have been brought about under the presidency of Mr. Daniel G. Wing.

About seven years ago the present management purchased control of the Massachusetts National Bank, the oldest banking institution in the state, which had previously taken over the Broadway National. In 1904 the National Bank of Redemption was absorbed, and as the Redemption had but a few years previously taken over the business of the Shoe and Leather National, the consolidation of these two strictly commercial banks has resulted in the second largest bank in New England.

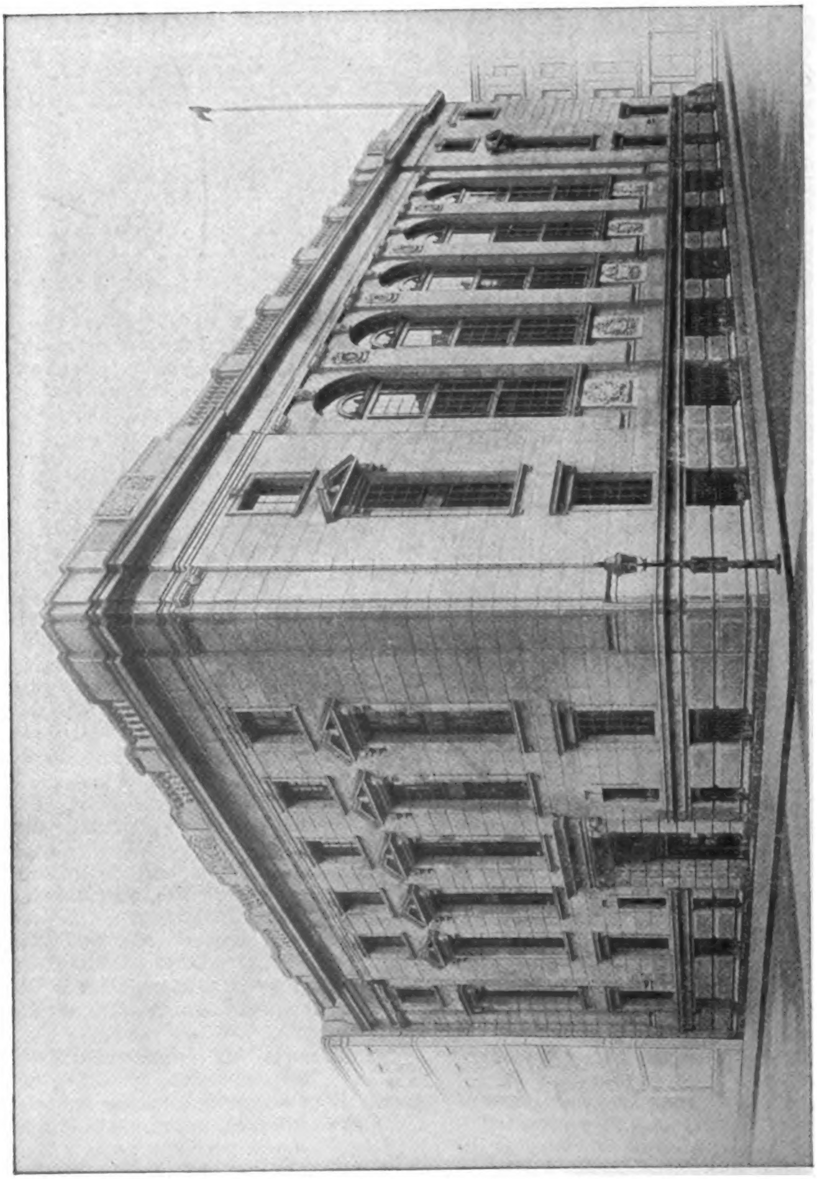
As the new First National building stands, it represents in every utilitarian and artistic sense the finest banking structure in New England, with but few equals as to size in the country, and a building of rare dignity and design. The bank's new location is a prominent one, on one of the main arteries of the city, with the post-office at one end and the South Terminal at the other, close to the financial district and the wholesale leather and wool trade.

The structure itself shows a facade four stories in height, of white Chelmsford granite, and expresses the general plan of the building, in that it gives an appearance of quiet dignity, without excessive ornamentation. A series of five great windows on the Franklin street side is the principal exterior decorative feature, with five bas-reliefs, illustrating some of the chief interests of the bank. A close observation of the structure will show that it is not from the mere design of the windows, entrances and general details that the building receives its dignified aspect, but rather from a careful attention to the arrangement and execution of the lines of the structure. It has plainly been the intent of the architect to design a building which would gain admiration not from a few details, but as a whole.

An examination of the interior of the building, which may be reached from either Federal or Congress streets by means of short flights of stairs, shows that practically the entire space, with the exception of the ends of the structure, which are planned upon the basis of a four-story building, is occupied by the main banking room. This room is 80 feet long, 70 feet wide and 40 feet in height. The sides of the room show a series of pilasters, which finish in arch spans, supporting the roof, which is paneled and arranged for lighting, each of these roof panels being in effect a large window.

In this connection should be mentioned the general lighting and color treatment of the entire room. The five large windows on the south or Franklin street facade, with the large light area in the roof, supply an exceptionally large amount of natural light which has been well utilized by the designer. There has been an artistic blending of the texture and color of bluish grey, Bedford stone, which has been honed smooth and used in a generous manner throughout the entire decorative scheme. The double windows are of bronze and marble frame, shading perfectly with the Bedford stone. The bank screen is of marble set in bronze pilasters and entablature, with a darker base.

The floor is of Tennessee and black marble. The entrances are of Bedford stone. Four bronze and marble lamps flank the main entrance stairs. The principal artificial light is received from a central chandelier, representing a globe, the earth, surrounded by three decorative coronas. Bronze doors and gates in their respective positions complete the general detail of ornamentation, which in ensemble is so well arranged and executed, with due regard for the proper light values, that the result is a majestic room, which compels admiration and reflects credit upon the architect, Mr. R. Clipton Sturgis.



The New Building of the First National Bank, Boston.

At the east end of the room where are located the desks of the officers the screen has been omitted and in its place will be found marble counters. In these counters are gates leading to the lobby of the president's room, from which a flight of stairs leads to the directors' room on the second floor. This room is finished in oak, carved and gilded, the principal decorative feature being the electric light fixtures, which are in old silver.

Beyond the president's room is a committee room, and to the right is a specially fitted room for stenographers, so arranged floors are served by automatic elevators arranged to be run by the passengers. On the third floor is the restaurant. This is arranged with dining room for officers, men clerks and women clerks, with small rest room adjacent to the women clerks' dining room. The serving room is fully equipped with steam heated compartments for food, which is brought into the building cooked.

The various departments of the bank are connected by the usual service of telephone, telautograph, ~~pneumatic tubes and~~ dumb waiters, adapted to the special conditions existing.

The President's Office.

that the noise of the typewriters does not reach the main banking room. To the left is a room where the officers may consult with customers and meet out-of-town correspondents. Rooms are provided for the president's secretary and the credit department. At either side of the Federal street entrance are located small rooms for men and women customers, with writing desks and private booths.

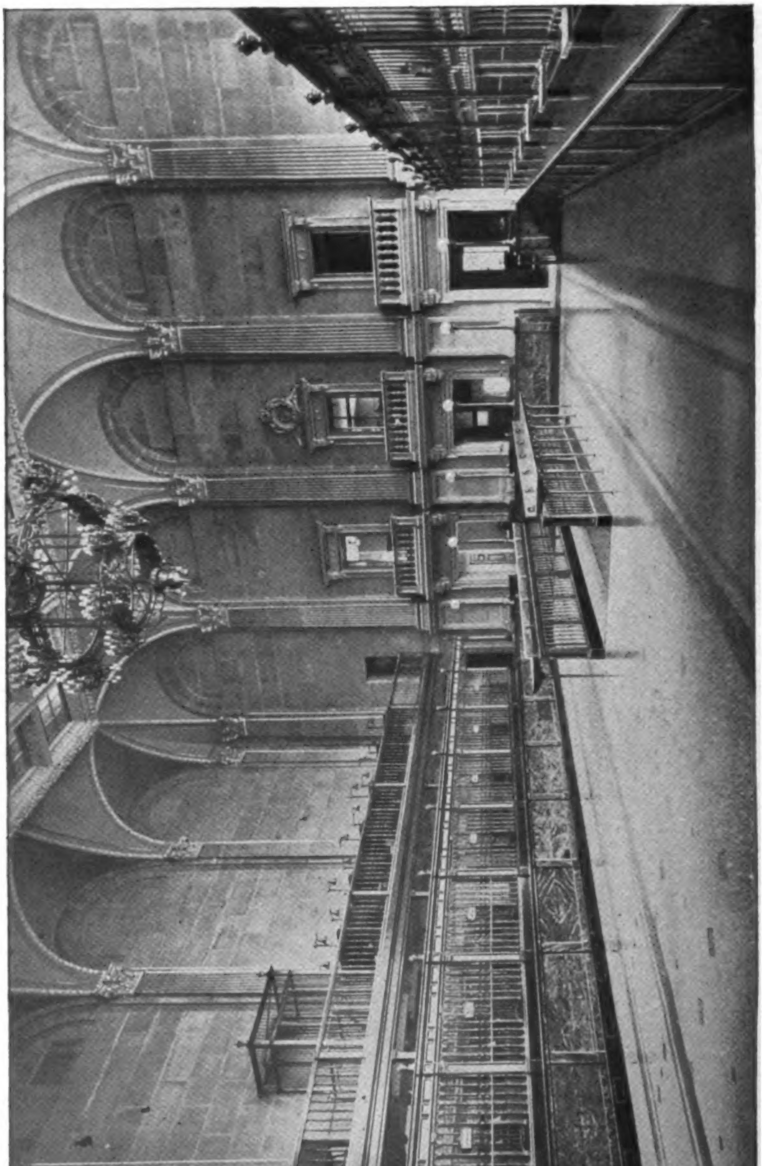
On the north side of the main banking room over the working space behind the screen is a balcony which connects the second floors at either end of the main structure. Here are arranged desks for bookkeepers and clerks. The different

The heating and ventilating is accomplished by a fan which forces fresh cleaned and warm air to the various rooms.

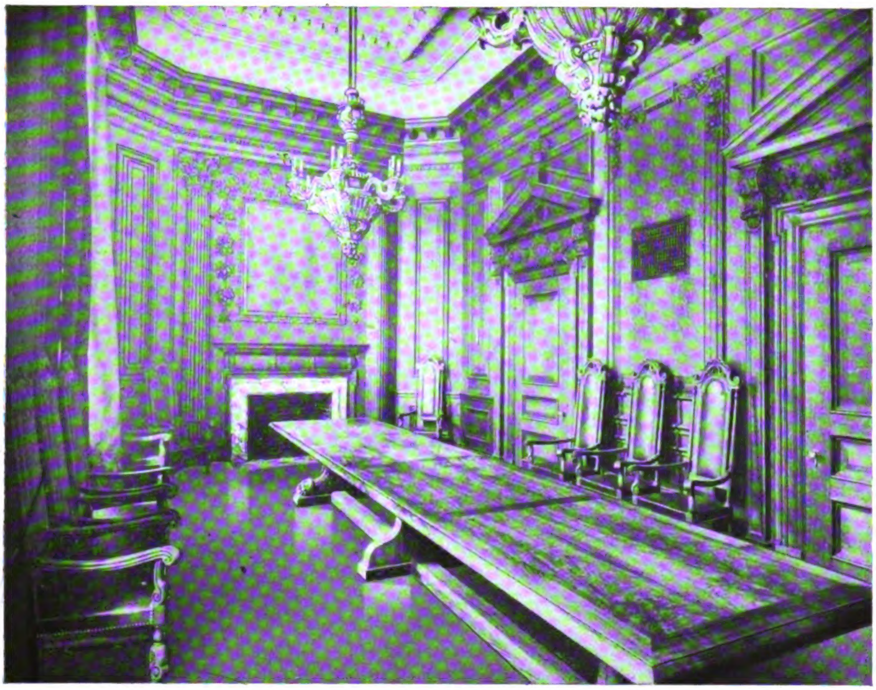
In the basement of the building are to be found the vaults; massive affairs with eleven-ton doors, time locks and electrically protected, one for the funds of the bank and the other arranged with safe deposit boxes which will be rented.

A large number of consultation and coupon rooms, with perfect ventilation, will also be found in the basement, while in the sub-basement is vault space for bulk storage.

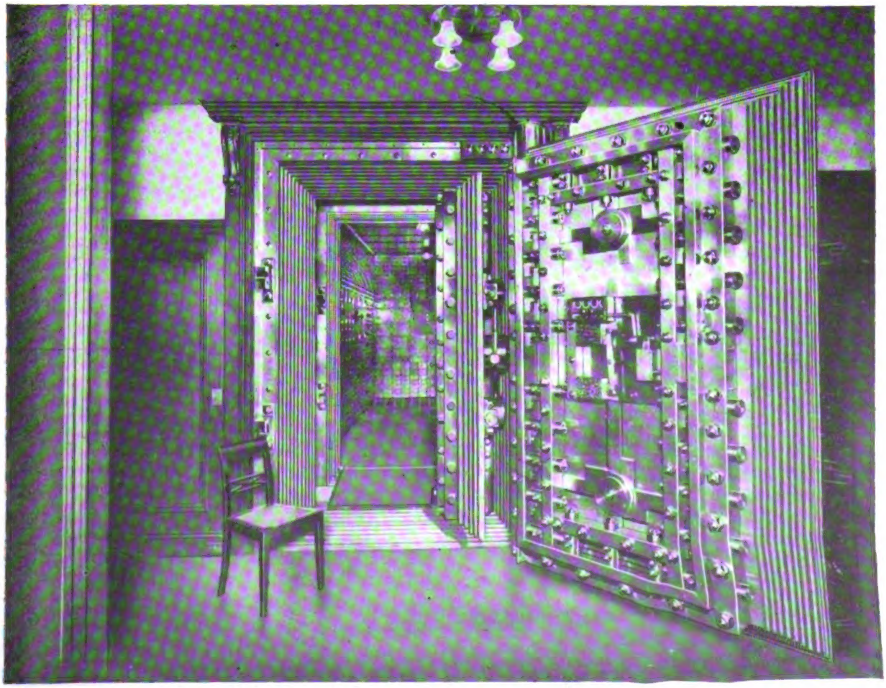
At the present time the officers and directors of the First National Bank are:



The Strikingly Beautiful Interior of the First National Bank Building, Boston.



The Directors' Room.



The Massive Vault.

FIRST NATIONAL BANK, BOSTON.

Daniel G. Wing, president; John W. Weeks, George G. McCausland, Clifton H. Dwinnell and Downie D. Muir, vice-presidents; Frederic H. Curtiss, cashier; Palmer E. Presbrey, Edward S. Hayward, Bertram D. Blaisdell and George W. Hyde, assistant cashiers.

Directors: Orlando H. Alford, Calvin Austin, Edward E. Blodgett, Roland W. Boyden, Charles F. Brooker, George W. Brown, John Carr, William F. Draper, Robert J. Edwards, Robert F. Herrick, William H. Hill, Charles H. Jones, Mortimer B. Mason, Charles S. Mellen, Charles A. Morss, Andrew W. Preston, N. W. Rice, Wallace F. Robinson, Charles A. Stone, James J. Storrow, John W. Weeks, George R. White, William Whitman, Daniel G. Wing, Sidney W. Winslow.

A recent summarized statement of the financial condition of the First National shows:

RESOURCES.

Loans and discounts	$31,460,673.31
Bonds, securities, etc.	4,929,992.49
Banking house	1,000,000.00
Cash and due from banks	19,105,798.81
Due from U. S. Treasurer	210,000.00
Total	$56,706,464.61

LIABILITIES.

Capital	$2,000,000.00
Surplus and profits	3,114,558.25
Circulation	1,990,700.00
Deposits	48,389,206.36
Bonds borrowed	1,212,000.00
Total	$56,706,464.61

UNION TRUST CO., PROVIDENCE, R. I.

THE Union Trust Co. of Providence, one of the most prominent of the New England trust companies, has re-opened its doors after a complete re-organization. This company was one of the institutions which was unable to realize upon its assets rapidly during the late panic and was compelled to resort temporarily to a receivership. On re-opening, the president of the company announced an important change of policy which was outlined in the following statement:

The Union Trust Co. will hereafter be conducted as a strictly commercial bank. We shall strive to afford our customers every possible facility for the transaction of their business. We desire especially to receive and to safeguard the surplus funds of the merchants and manufacturers of Rhode Island, and while not furnishing capital for or becoming partners in any business, to furnish to the merchants and manufacturers of the state the additional funds which every business at times requires.

We have no special ambition to conduct the largest banking institution in the state. We do desire earnestly to maintain the soundest and the best managed. We realize that an unusual trust has been reposed in us, and we shall try to the utmost of our ability to discharge it worthily.

The Union Trust Co. was established in 1894. It succeeded the Bank of America Loan and Trust Co., which had a few years previously taken over the Bank of America. Later on in its career, the Union Trust Co. absorbed the Manufacturers Trust Co. and a large number of local banks. It conducts branch offices at Olneyville and East Greenwich, R. I.

The headquarters of the bank are in its own handsome building at the corner of Westminster and Dorrance streets, which is one of the landmarks of the city.

The statement of the company at the date of re-opening, May 2, 1908, was as follows:

RESOURCES.

Loans (revalued)	$4,673,390.12
Mortgages (revalued)	337,844.12
Real estate (revalued)	7,050.00
Stocks and bonds (revalued)	7,848,808.00
Interest receivable	34,890.77
Cash	7,048,967.71
	$19,950,950.72

LIABILITIES.

Capital, paid in	$1,000,000.00	
Surplus, paid in	500,000.00	
*Surplus, reserved	3,453,184.43	
Security for depositors		$4,953,184.43
Due depositors		14,825,682.89
State tax, August 1st		45,643.96
Unpaid bills		1,439.44
Reserved for expenses		125,000.00
		$19,950,950.72

The official board as at present constituted is as follows: Rathbone Gardner, president; Archibald G. Loomis and James M. Scott, vice-presidents; Walter G. Brown, treasurer and secretary; Francis E. Bates, assistant treasurer and assistant secretary;

* Including special reserve under reorganization plan.

Clinton F. Stevens, assistant treasurer, and George W. Lanphear, comptroller.

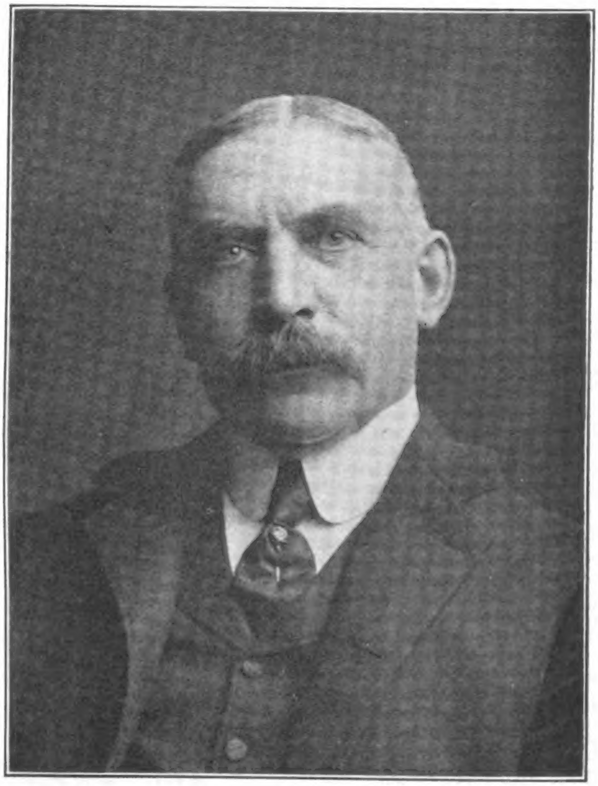
Mr. Gardner, the new president, was one of the temporary receivers, and was largely instrumental in perfecting the successful plan of re-organization. He was selected for the position for his high standing in the community, his capacity for organization and business judgment. Mr. Gardner is a member of the Providence law firm of Gardner, Pirce & Thornley, and has been in active practice over thirty years. He is a graduate of Brown University, class of '77, and of the Boston University Law School. Mr. Gardner is now State Senator from Providence, and in 1898 was Providence representative in the State Legislature. He was United States District Attorney for Rhode Island from 1889 to 1893. He is a director of the National Exchange Bank of Providence, president of the Coventry Co. and a trustee of Butler Hospital.

RATHBONE GARDNER
President Union Trust Co., Providence.

Mr. Archibald G. Loomis became vice-president of the Union Trust Co. in 1907. Mr. Loomis's name is a familiar one in banking circles all over the country. He began his banking career in Hartford, Conn., where he achieved high success in the building up of the Aetna National Bank, which under his practical management became the largest national bank in Connecticut. Mr. Loomis was particularly successful in his judgment of bank credits and is one of the most able buyers of commercial papers in the country. From the Aetna Bank, Mr. Loomis went to the National City Bank of New York in 1899 to become vice-president of that institution. After six years with the City Bank, Mr. Loomis went to the Pacific Coast whence he returned last year to assume the practical management of the Union Trust Co. Mr. Loomis is a native of Hartford.

Mr. Brown, treasurer and secretary of the company, comes from the Rhode Island Hospital Trust Co., where he began his banking career in 1889. In 1896 he resigned the position of teller of that institution to accept a similar position with the American

Union Trust Co. Building, Providence.



ARCHIBALD G. LOOMIS
Vice-President Union Trust Co.

National Bank, where he remained until the American was consolidated with the Hospital Trust Co., Mr. Brown at that time being assistant cashier. He was made assistant secretary of the trust company, which position he retained until his recent resignation to take the treasurership of the Union Trust Co.

The reorganized board of directors of the company is as follows: William Ames, treasurer Fletcher Mfg. Co. and president Blackstone Canal National Bank; Edward G. Buckland, vice-president New York, New Haven & Hartford R. R. Co.; Zechariah Chafee, treasurer Builders Iron Foundry; William A. Copeland, treasurer Martin, Copeland Co.; Harry Cutler, Cutler Jewelry Co.; Joseph E. Fletcher, president Coronet Worsted Co.; Rathbone Gardner, president; Herbert F. Hinckley, vice-president Blackstone Canal National Bank; Charles B. Humphrey, retired; Samuel M. Nicholson, president Nicholson File Co., and American Screw Co.; Edward D. Pearce, president Merchants National Bank; James M. Scott, of Jackson & Scott; Henry D. Sharpe, treasurer Brown & Sharpe Mfg. Co., and Cornelius S. Sweetland, treasurer United Traction & Electric Co. and vice-president Rumford Chemical Works.

NATIONAL EXCHANGE BANK, PROVIDENCE, R. I.

THE election of Mr. Michael F. Dooley to the presidency of the National Exchange Bank of Providence marks another important era in the history of this bank, the second oldest banking institution in Providence, and one of the oldest in the country. The National Exchange Bank was incorporated in 1801. The petition of the incorporators was met by protest from the Providence Bank, whose directors claimed that there was not room in the town for another banking institu-

tion. These objections were met, however, the charter was granted, and the bank began its business career. One of the first actions of the directors was to purchase the site of the present building at the corner of Westminster and Exchange streets, where a modest building was immediately erected. The present fine structure was built in 1887.

The original capital of the bank was $200,000, which has been increased from time to time to $500,000, and the bank has at present surplus and profits of over $800,000, and deposits of about $1,500,000.

MICHAEL F. DOOLEY
President National Exchange Bank, Providence.

In 1906 control of the bank was secured by the Manufacturers Trust Co., later consolidated with the Union Trust Co.

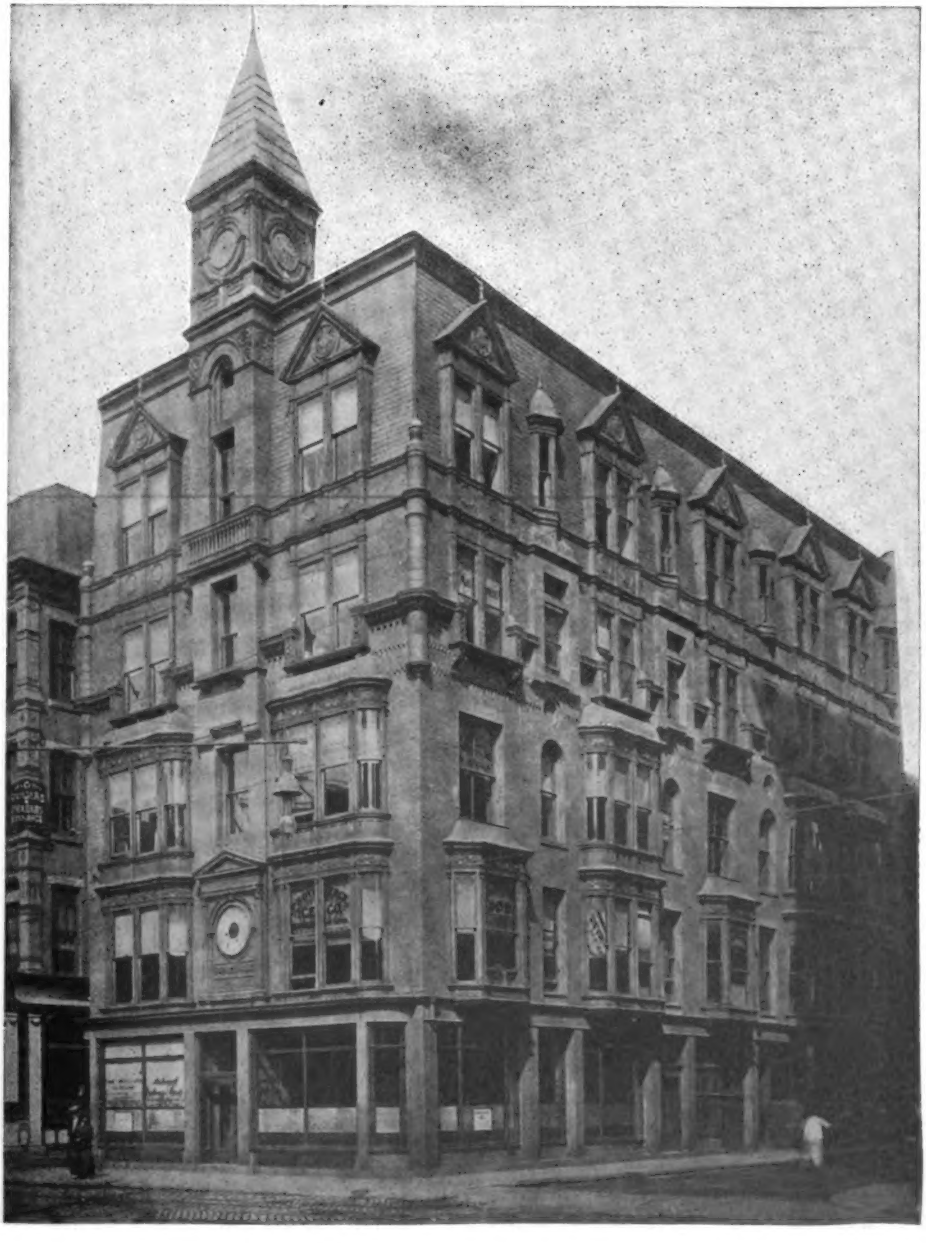
Mr. Dooley, who was elected president in January, succeeded Augustus R. Pierce, who succeeded Nicholas Sheldon in 1906. Mr. Dooley achieved prominence in banking circles as national bank examiner, to which position he was appointed by President Cleveland. His work was so satisfactory that he retained the position under a Republican administration and during his continuance in office was for three years receiver of the First National Bank of Willimantic, Conn. This receivership he resigned to take the vice-presidency of the Union Trust Co. of Providence. During the financial troubles of the latter institution in the panic of 1907, Mr. Dooley resigned his position and later accepted the presidency of the National Exchange Bank.

Mr. Pierce, vice-president, began his banking career with the Exchange Bank in 1879, when there were only three persons employed in the bank. He was elected cashier May 26, 1902, and president January 1, 1906, which position he resigned last January to take the vice-presidency.

Mr. George G. Wood, the present cashier, succeeded Mr. Pierce January 1, 1906. He was formerly a clerk in the Commercial

National Bank, which was taken over by the Union Trust Co., and later became a clerk in the Exchange Bank, from which he has risen to his present position.

The directors of the National Exchange Bank are as follows: Theodore Francis Green, lawyer; Newton D. Arnold, of the Rumford Chemical Works; Walter Callender, of Callender, McAuslan & Troup; J. Herbert Foster, cotton broker; James Richardson, of Richardson & Clark, bankers; John Carter Brown Woods, lawyer and capitalist; Rathbone Gardner, president Union Trust Co.; Charles B. Humphrey, wholesale grocer; Michael F. Dooley, president.

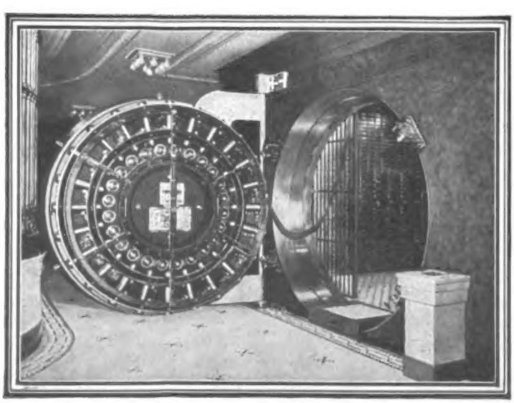


National Exchange Bank Building, Providence.

EQUIPMENT OF THE AMERICAN NATIONAL BANK OF INDIANAPOLIS.

IT has become a well-known fact that when a bank contemplates the erection of a new building there are two important things that must be embodied in its construction, else the bank will lose the confidence and good will of its customers. These are: First, absolute safety—protection for the depositors and for the bank's funds; second, solid comfort—conveniently arranged offices, rest rooms and writing rooms for those wishing to attend to business matters while at the bank.

Customers' Room—American National Bank, Indianapolis, Ind.



Entrance and Door to Vault.

As will be seen from the illustrations herewith given, these necessary factors were considered by the American National Bank of Indianapolis, Ind., when their magnificent home was built, and the public has not been slow in showing its appreciation of the advantages offered there.

The armor plate safe deposit vault is the only one of its kind in use in Indiana. The door shown in the illustration weighs nineteen tons, yet is so delicately poised that it can be readily moved by a child. The customer's room, as the name would indicate, is devoted to the use of the customers of the bank, committee meetings, and conferences of any kind. In this room, the Indianapolis Stock Exchange holds its regular sessions.

Modern Egypt. By the Earl of Cromer. Two volumes. New York: The MacMillan Company.

A story of wonderful interest, told in simple, graphic language by one who had a large part in the making of it, is the work of Lord Cromer on "Modern Egypt." Memoirs of this sort are sometimes disappointing because men who are great in execution are not always great in literary selection and power of description. But Lord Cromer has the advantage not only of an absorbing subject, but of the clarity of style and force of presentation which marked the Commentaries of Caesar. The subject is the rescue of a nation from the drawbacks and oppressions of Oriental despotism and its erection into a modern civilized community. That these results were accomplished without serious bloodshed in Egypt itself, largely through the firmness, tact and foresight of the writer of this work, is now so well known that he can speak of what was done without affectation or immodesty. And thus he does speak in this remarkable book, which is not only absorbingly interesting in itself, but might well form a text-book for our own officials in Cuba, Porto Rico and the Philippines.

President Roosevelt has felt that he could confer no higher praise on General Wood than to compare his work in Cuba with that of Lord Cromer in Egypt. Without disrespect to Gen. Wood, it may be said that the comparison is a somewhat forced one, because he had so short an interval for displaying his abilities, while on the other hand he had a clear field through the possession of undisputed and well-nigh absolute power. Lord Cromer had time enough in Egypt to watch the planting, watering and growth of many reforms, but his task was rendered perpetually difficult by the fact that he was the advisor of the Khedive and not his master. How difficult was his position under successive mutinies of the army, plottings of Ismail Pacha, intrigues by the Sultan, and jealousies and differences among the powers is told with a graphic force which for the historical or economic scholar makes it as hard to lay down the book as for the romance lover to lay down the latest popular novel. It is the unselfish loyalty to duty and skill in interpreting that duty which characterize men like Lord Cromer which make possible Kipling's graphic apostrophe to England—

"The earth, a brittle globe of glass,
Lies in the hollow of thy hand. . . .
For Southern wind and East wind meet
Where, girt and crowned by sword and fire,
England with bare and bloody feet
Climbs the steep road of wide empire."

C. A. C.

+

How to Think in French. By Charles F. Kroeh, M.A.

How to Think in German. By the same author.

How to Think in Spanish. By the same author. Hoboken, N. J.: Published by Charles F. Kroeh.

Professor Kroeh is Professor of Languages in the Stevens Institute of Technology, Hoboken, N. J., and has become identified with what is justly styled "the living method for teaching and learning languages."

The great difficulty in learning a language is to acquire the habit of thinking in the new language. This difficulty has been overcome in Professor Kroeh's treatises by a method whereby one is able to associate actions with the sentences representing them, these sentences being in the foreign language. This method furnishes the student with the expressions a German, a Frenchman or a Spaniard would use to describe his daily actions, and affords a thorough drill in grammar and idioms.

A knowledge of foreign languages is becoming of increasing importance to American business men, and we know of no books of greater practical helpfulness than Professor Kroeh's in acquiring this knowledge.

+

Principles of Economics. By Edwin R. A. Seligman.

In a notice of this book, appearing in the May number of the Magazine, it was stated the work contained about forty pages

devoted to money and banking. This statement was based upon an early edition of the book. A new edition was published last year in which the chapters on money and banking were entirely rewritten, and now occupy about 120 pages.

+

BUILDING A HOME: A BOOK OF FUNDAMENTAL ADVICE FOR THE LAYMAN ABOUT TO BUILD. By H. W. Desmond and H. W. Frohne. (Illustrated with photographs and plans.) New York: The Baker and Taylor Co.

One gets from this book that expert advice on all points about home-building without which satisfactory results are impossible. The book seems throughout a model of good taste and good sense. Nobody contemplating the building and furnishing of a home can afford to dispense with its help.

+

THE PSYCHOLOGY OF PUBLIC SPEAKING. By Walter Dill Scott. Swarthmore, Philadelphia: Pearson Bros.

Although it is the belief of many in these days of the printing press, that the power of oratory has greatly declined, even if it has not become altogether obsolete, perhaps that view is not the correct one. The genuine orator still has great power.

The suggestions contained in this book are valuable to all who would cultivate the art of public speaking.

+

HOW TO INVEST YOUR SAVINGS. By Isaac F. Marcosson. Philadelphia: Henry Altemus Co.

First, get your savings, of course; and the author tells how to accumulate money by putting by regularly, in a savings bank, a part of one's income.

For the inexperienced investor, especially, reliance must be placed largely on the integrity of the house with which the investor deals. As the author says:

"The investor must have confidence in the integrity of the house with which he does business; for this integrity, after all, is the best guarantee of the investment. An example of how worthy of this trust some of the great houses are was shown not long ago in New York. A house brought out an issue of street railway bonds. On account of a strike and temporary financial difficulties, the railway company defaulted interest. The bond house which sold the bonds immediately notified every buyer of them that it would buy the bonds back at the price paid, or exchange them for other bonds."

Regarding "investments" in gold and copper stocks, Mr. Marcosson says:

"The best advice in regard to the buying of gold or copper mining stock such as is at times advertised in large quantities and low prices, is that once given by a hard-headed business man, who said to a prospective buyer: 'First, investigate the company thoroughly; be sure that the people behind it are honest, and then—invest in something else.'"

The book is filled with information about the different kind of securities, and contains much sound and helpful advice.

On page 109 it is said: "The National Banking Law requires all national banks to keep twenty-five per cent. of their deposits on hand in specie and legal-tender." This is not quite accurate, as *all* national banks are not required to keep a twenty-five per cent. reserve. But the National Banking Law is a Chinese puzzle, and whether there is a man living who knows all its details may well be doubted.

+

THE STANDARD OF USAGE IN ENGLISH. By Thomas R. Lounsbury, Emeritus Professor of English in Yale University. New York: Harper & Brothers.

Professor Lounsbury does not attempt to state any novel theory as to what should constitute the standard of correct usage of language, but emphasizes the wisdom there is in following the practice of the best speakers and writers. He points out, in many doubtful cases, what good usage has established as the standard, and performs a valuable service in exposing the pretensions of the purists who would rob the language of its flexibility and destroy its vitality. His clear analysis and sound deductions ought to make this work rank high among the productions of modern American scholarship.

+

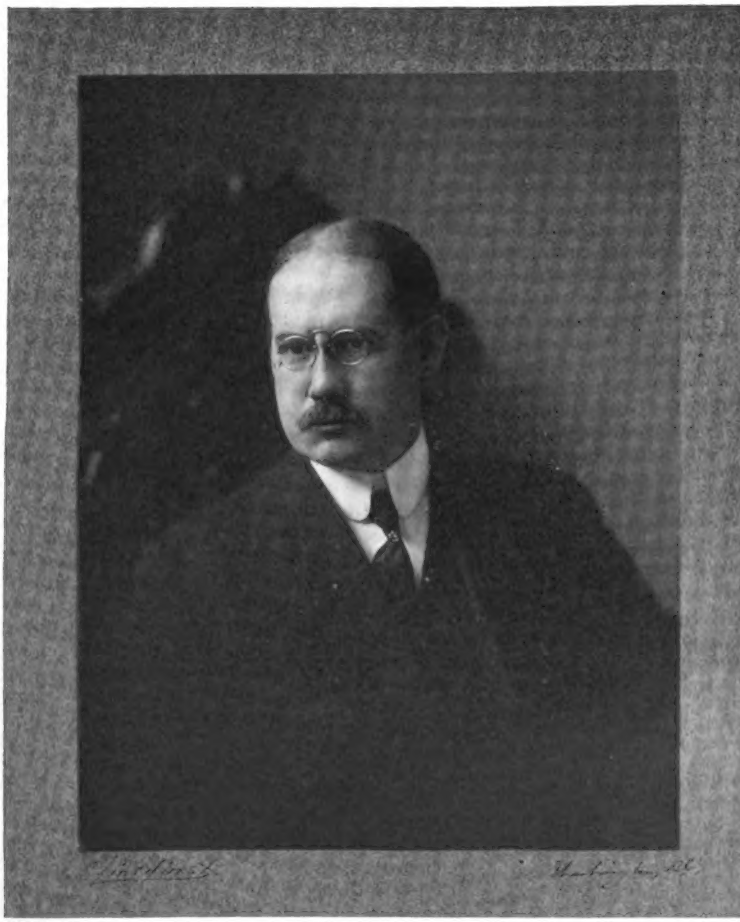
THE GARDEN OF ALLAH. By Robert Hichens. New York: Frederick A. Stokes Co.

That the engrossing attention now being paid in novels and plays to the physiological disturbance miscalled "love," which forms the theme of Mr. Hichens' much-praised book, is morbid, can not be doubted. That "The Garden of Allah" is a powerful presentation of this universal passion, operating under dramatic circumstances, is undeniable. Yet it all seems to no purpose. Do we not already know that mud is not marble without having the story told over and over again?

Mr. Hichens tries, through almost innumerable pages, to present the mysterious charm of the desert—which only those who

have felt it can ever fully comprehend—but with less success than "Ouida" achieved in "Under Two Flags."

Yet "The Garden of Allah" has interest, power and charm, and shows the really great work of which Mr. Hichens seems capable should he decide to write for the delight of other than the hysterical type of mind, to which most modern fiction appears to be addressed.



R. H. LYNN

Recently Elected President American National Bank, Washington, D. C.

R. H. LYNN, recently elected president of the American National Bank, Washington, D. C., was born in the Capitol City, July 3, 1867. He was educated at Roanoke College, Salem, Va., and at Richmond College, Richmond, Va. Since he was nineteen years old, Mr. Lynn has devoted his life to the banking business, beginning his career as a clerk in the First National Bank of Grundy Centre, Iowa.

At the age of twenty-five, he was elected cashier of the Loudoun National Bank of Leesburg, Va., in which capacity he served for ten years, resigning to accept the cashiership of the American National at Washington.

After holding that position for about five years, he was chosen president and is now the head of that prosperous bank.

MONEY, TRADE AND INVESTMENTS

NEW YORK, June 4, 1908.

A RAPID ADVANCE in the stock market followed by a decided reaction made May an eventful month in financial circles. The rise began shortly after the month opened and continued with increasing velocity until May 19, when a collapse came and for the remainder of the month the market tended downward. The influences which governed the cause of speculation were mysterious, as they usually are, and neither the advance nor the subsequent decline is to be explained by conditions known to exist. Money is cheap and abundant on the one side, while on the other there were gold exports to the amount of $27,000,000 in the month, with the United States Treasury drawing money from the banks. The amount of money in circulation was reduced $50,000,000 in the month of May, yet the banks are well supplied with money and the reserves of the New York banks have not been materially reduced.

Even while the stock market showed signs of weakness there were a number of important transactions in bonds indicating a willingness on the part of investors to put their money into attractive issues.

Some of the bond operations of last month recalled the extraordinary issues of a year ago. Among the prominent corporations which in May, 1907, were seeking additional capital were the Atchison, $26,000,000; Delaware & Hudson, $15,000,000; General Electric, $13,000,000; North American, $5,000,000; Cleveland, Cincinnati, Chicago & St. Louis, $50,000,000; Chicago, Rock Island & Pacific, $10,000,000. This is only a partial list.

Last month New York City sold $20,000,000 revenue bonds. The Union Pacific stockholders authorized an issue of $100,000,000 bonds, and the Delaware & Hudson stockholders a $50,000,000 bond issue. The Denver & Rio Grande sold $10,000,000 notes and the Southern Railway $15,000,000. The Chicago, Burlington & Quincy sold $16,000,000 4 per cent. bonds, part of an authorized issue of $300,000,000.

As to the future of the stock market there is a wide difference of opinion. There are shrewd operators who look for an advance, but not until after there has been a further decline. They are preparing to buy when the decline has occurred. The presidential campaign is the coming event which promises to embarrass operations in the stock market. First, the selection of the candidates and then the question which one will be elected. If as in 1896 the result is a foregone conclusion before the election comes off, and conservatism is sure to be on the winning side, it is expected that with the inspiration of good crops there will be a general improvement probably before the summer is over.

The advance which occurred in the first half of the month recovered the decline of last year only in part. The record of 1907 was highest prices generally in January, and the lowest between October 1 and the close of the year. This year the lowest prices were generally recorded in January, but in most cases they were above the lowest touched in the latter part of 1907. For a great majority of stocks the highest prices of this year were made in May and most of them about the middle of the month. As an index of the market the extreme quotations for some of the representative stocks in 1907 and 1908 are given in the accompanying table:

Comparing the highest prices of May, 1908, with the lowest prices of 1907 touched in the recent panic, there was an advance for the stocks mentioned in the table of from 7⅛ to 51½ per cent. More than 60 per cent. of the stocks recovered over 20 per cent. In no case was the entire decline of 1907 recovered, while only one-half of the stocks named recovered as much as 50 per cent. of their previous losses. In estimating the future course of the market, then, the fact is to be considered that while prices generally are much higher than when the panic was raging, they are also much lower than they were prior to the panic.

The general situation presents varying phases which point to opposing conclusions. While money is easy as to rates, it is hard to get. There is much complaint that loans on real estate security are difficult to place, and with call money offering at below 2 per cent., collateral is so closely scrutinized that the difference between now and a year ago is very impressive.

There has been a further increase in the

number of idle cars reported, but there are indications that the end is near. The principal sensation in the railroad situation was the reported determination of the railroads to increase railroad freight rates 10 per cent. This furnished an opportunity for sensational head-lines and cartoons. With a reduced traffic, and railroad employes fighting a cut in wages and the shippers fighting an increase in freight charges, the railroads have a complex problem to deal with.

The reports concerning the growing winter wheat crop continue favorable and the indications on May 1 were that this year's crop would exceed that of 1907 by about 50,000,000 bushels. This would give a yield larger than in any previous year except the banner year, 1906, and only 30,000,000 bushels below that record. A good wheat crop with a fair prospect of good prices also in consequence of the reduction in reserves, will have a favorable effect on railroad traffic and earnings.

At the present time railroad earnings are anything but satisfactory. In April the gross earnings on 79,203 miles of railroad, as compiled by the "Financial Chronicle," showed a decrease of $11,486,050, or 19.85 per cent. For the four months ended April 30 there was a decrease of $27,669,965, or 13.04 per cent. During the month of May the returns so far as received indicate a decrease of 20 per cent.

A compilation of gross and net earnings covering nearly 160,000 miles of road for the first three months of 1908 makes some interesting disclosures. The loss in gross earnings was heavy, as was to be expected, and amounted to $62,783,254. Operating expenses were reduced, however, $30,965,123, leaving the loss in net earnings $31,818,131, or but little more than 50 per cent. of the decrease in gross earnings.

The railroads have been cutting down their expenses very materially and the net earnings have been showing an improving tendency, as indicated by the statements from month to month. In January the net earnings showed a loss of 29.93 per cent., in February of 25.10 per cent. and in March of 14.40 per cent. In the latter month, while the gross earnings decreased $21,500,000, net earnings decreased only $6,500,000, or about 30 per cent. of the loss in gross earnings.

Our foreign trade is still the subject of extended consideration. The great falling off in imports is a disturbing factor, indicating not only a decline in the purchasing power of the American people, but also a decline in manufacturing interests heretofore drawing a supply of raw materials from abroad.

	1907. Highest.	1907. Lowest.	May, 1908 Highest.	Advance from 1907 low price	May, 1908, high price below 1907 high price.
Atchison	108¼	66⅜	84⅞	18½	23⅞
Bal. & Ohio	122	75⅜	94¼	18⅞	27¾
Cen. New Jersey	220	144	188	44	32
St. Paul	157½	93½	140	46½	17½
Erie	75⅞	28	44	16	31⅞
Louis'lle & Nash.	145⅛	85½	113	27½	32⅛
Manhattan	146	100⅞	139½	38⅝	6½
Missouri Pacific	92¾	44⅛	64½	20⅜	28¼
N. Y. Central	134¾	89	107⅞	18⅞	26⅞
Northern Pacific	189½	100½	138⅞	38⅜	50⅝
Pennsylvania	141⅜	103½	124½	21	16⅞
Reading	139⅛	70½	119¼	48¾	19⅞
Southern Pacific	96¼	63¼	89¾	26½	6½
Union Pacific	183	100	151½	51½	31½
U. S. Steel	50⅜	21⅞	39⅜	17½	11
U. S. Steel, pref.	107¾	79⅛	103¾	24⅝	4
Western Union	85	54	61⅛	7⅛	23⅞

In April the imports were valued at $87,000,000, or $42,000,000 less than in the same months in 1907 and $20,000,000 less than in 1906. In the five months from December 1, 1907, to April 30, 1908, the imports amounted to $438,000,000, as against $646,000,000 in 1907, a decrease of $208,000,000. Exports have also fallen off, being $20,000,000 less this year than last year in March and $24,000,000 in April. Still, the excess of exports over imports is at a rate never before equalled.

Prior to 1897 the largest balance of net exports in any fiscal year was $264,661,666, in the year ended June 30, 1879. In the fiscal year 1897 the balance reached $286,263,144 and in 1898 $615,432,676. The latter was the maximum record until 1901, when the balance rose to $664,592,826. That this record will be beaten in 1908 cannot be doubted as the excess of exports over im-

ports for the ten months ended April 30 was $613,560,325. What these figures mean the annexed table will indicate:

For the ten months ended April 30 the net exports exceed the highest previous total record in 1901 by $29,000,000. It is within $51,000,000 of the high record for a full fiscal year. It is in the last four months, however, that the largest balances have been piled up. For that period the net exports were $302,585,202, or $94,000,000 more than in the corresponding four months of 1901. With no large balances accumulating there seems no reason to apprehend a drain of gold from the country for any extended period.

EXCESS OF EXPORTS.

	Four months ended April 30.	Tens months ended April 30.	Fiscal year ended June 30
1897	50,438,737	299,740,002	286,263,144
1898	193,868,483	514,020,400	615,432,676
1899	146,255,962	471,557,021	529,874,813
1900	183,190,177	455,116,984	544,541,898
1901	208,116,704	584,298,012	664,592,826
1902	139,096,148	435,640,580	478,398,453
1903	149,789,877	359,304,919	394,422,442
1904	144,132,149	448,483,505	469,739,900
1905	89,053,203	339,074,209	401,048,595
1906	170,590,296	467,408,952	517,302,054
1907	155,694,312	412,952,776	446,429,653
1908	302,585,202	613,560,325	....

Attention is being directed to the growing deficit reported by the United States Treasury. In May the revenues were nearly $12,000,000 less than the expenditures and the April deficit was nearly $16,000,000. A deficit of nearly $28,000,000 in two months is not a usual occurrence. With one month of the current fiscal year remaining, the deficit for the year is $63,603,605. This may be reduced by the June report, but the deficit for the twelve months will exceed that of any previous year in fourteen years with the exception of 1899 and 1894. In the fifteen years ending June 30, 1908, there have been only six years in which the Treasury has reported a surplus. The record is shown in the table herewith:

U. S. TREASURY BALANCES.

Year ended June 30.			Year ended June 30.		
1894	Deficit	$69,803,261	1901	Surplus	$77,717,984
1895	Deficit	42,805,223	1902	Surplus	91,287,376
1896	Deficit	25,203,246	1903	Surplus	54,297,667
1897	Deficit	18,052,254	1904	Deficit	41,770,572
1898	Deficit	8,047,247	1905	Deficit	23,004,228
1899	Deficit	89,111,559	1906	Surplus	25,669,322
1900	Surplus	79,527,060	1907	Surplus	84,236,586

Including the balance for the eleven months of 1908, the net result for the fifteen years is a surplus of about $30,000,000.

The Treasury has not only been spending more than it received, but it has also been drawing out its deposits in the national banks. In May the amount of public funds on deposit in national bank depositaries was reduced nearly $36,000,000. Since January 1 $92,000,000 has been withdrawn. A comparative statement is herewith presented, showing by months since January 1, 1906, the available cash balance in the United States Treasury and the amount on deposited in national bank depositaries.

The available cash balance in excess of the $150,000,000 gold reserve on June 1 was $240,933,255, or only about $4,000,000 more than the lowest reported since January 1, 1907. It is about $29,000,000 less than on January 1, 1908. On January 1, 1906, the Treasury balance was less than $140,000,000, or $100,000,000 less than is now held. There have been wide changes in the amount of public funds carried on deposit in national bank depositaries in the last two and a half years. From $64,000,000 the deposits increased to $102,000,000, then fell to $84,000,000, and then increased to $181,000,000 on July 1, 1907. These deposits were being reduced when the panic was precipitated, and on September 1 were down to $157,000,000. In

the next four months they were increased nearly $100,000,000, but since January 1 last have been reduced $92,000,000. Nearly all the available balance was in the national banks at one time. On January 1 there was a margin of only about $12,600,000. Now the Treasury holds $76,000,000 in excess of the amount on deposit in the banks.

Very valuable records have been prepared from which at some time the history of the panic period of 1907-08 may be compiled that will rival in accuracy and interest any similar undertaking. Of this character is the compilation of clearing house certificates issued between October, 1907, and January, 1908, made by Assistant Manager William J. Gilpin of the New York Clearing House. From it the figures in the annexed table have been taken:

Banks in fifty cities issued clearing house certificates during the financial crisis to an aggregate amount of $248,279,700, the largest amount outstanding at any one time being $219,857,500. Nearly all have been retired; in only eight cities were any outstanding on May 1. The table shows how

TREASURY SURPLUS AND DEPOSITS IN BANKS.

	1906. Available cash Balance.	1906. In Natl. Bk. Depositaries.	1907. Available Cash Balance.	1907. In Natl. Bk. Depositaries.	1908. Available Cash Balance.	1908. In Natl. Bk. Depositaries.
Jan. 1	$139,780,373	$64,764,367	$238,997,076	$158,753,158	$269,519,990	$256,920,154
Feb. 1	143,885,082	64,343,643	244,708,206	160,654,952	266,417,301	238,190,042
Mar. 1	152,718,086	65,333,464	250,154,654	150,486,235	268,845,804	230,515,442
Apr. 1	159,859,322	76,350,722	252,868,002	165,235,679	262,608,190	202,662,622
May 1	157,126,224	102,918,771	251,388,342	178,691,078	251,596,987	200,713,219
June 1	160,385,376	92,534,755	257,629,664	183,810,572	240,933,255	164,912,412
July 1	178,087,283	93,986,236	268,581,437	181,700,053		
Aug. 1	169,963,941	84,480,056	238,574,188	156,990,204		
Sept. 1	200,686,875	106,355,219	236,660,408	157,102,218		
Oct. 1	221,213,096	134,619,383	239,551,314	170,512,212		
Nov. 1	223,300,810	148,975,346	237,227,019	220,270,625		
Dec. 1	231,470,287	145,559,438	250,551,013	236,548,321		

CLEARING HOUSE CERTIFICATES ISSUED IN PANIC OF 1907.

	Aggregate Issue.	Maximum Amount Outstanding.		Aggregate Issue.	Maximum Amount Outstanding.
New York	$101,060,000	$88,420,000	Salt Lake City	$802,000	$702,000
Chicago	39,240,000	38,285,000	Denver	650,000	400,000
St. Louis	15,965,000	10,578,000	Danville, Va.	617,200	450,000
Philadelphia	13,695,000	13,495,000	Youngstown	541,000	538,000
Boston	12,595,000	12,595,000	St. Joseph	515,000	350,000
San Francisco	12,339,000	12,339,000	Nashville	468,700	407,700
Pittsburgh	7,445,000	7,445,000	Lynchburg, Va.	381,000	381,000
New Orleans	5,266,000	3,287,000	Augusta, Ga.	370,000	370,000
Milwaukee	3,718,000	3,548,000	Harrisburg	366,500	326,000
Cleveland	3,220,000	3,220,000	Fort Wayne	345,000	345,000
Baltimore	3,094,000	2,784,000	Macon	325,000	280,000
Louisville	2,590,000	940,000	Knoxville	282,500	282,500
Detroit	2,175,000	2,030,000	Savannah	265,500	265,500
Los Angeles	2,088,000	1,859,000	Sioux City	240,000	240,000
Omaha	1,999,000	1,544,000	Tacoma	215,000	215,000
St. Paul	1,900,000	1,525,000	Lincoln	208,000	160,000
Minneapolis	1,830,000	1,755,000	Wheeling	195,000	45,000
Seattle	1,675,000	*1,675,000	Little Rock	183,000	148,600
Indianapolis	1,650,000	835,000	Vicksburg	170,000	170,000
Atlanta	1,500,000	996,000	South Bend	120,000	120,000
Spokane	1,413,000	1,413,000	Charleston	115,000	115,000
Oakland	1,250,000	590,000	Brunswick	109,000	65,000
Des Moines	1,001,200	622,700	Wichita	91,000	91,000
Portland, Ore.	1,000,000	1,000,000	Topeka	42,000	25,000
Buffalo	915,000	550,000	Greensboro, N. C.	39,100	34,100
			Total	$248,279,700	$219,857,500

* Maximum not reported, aggregate figures used.

MONEY RATES IN NEW YORK CITY.

	Jan. 1.	Feb. 1.	Mar. 1.	April 1.	May 1.	June 1.
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances	8 —18	1½—2	1½—2	1½—2	1¾—2	1¾—½
Call loans, banks and trust companies	....	1½—	1½—2	1¼—½	1¾—	1½—
Brokers' loans on collateral, 30 to 60 days	12 —	3 — ½	4 —	3 —	2¼ ½	2½—
Brokers' loans on collateral, 90 days to 4 months	10 —	3 — ½	4 —¼	3¼—4	2½—3¼	2¾—3¼
Brokers' loans on collateral, 5 to 7 months	7 —8	4½—	4½—¾	4 —	3½—¾	3½—4½
Commercial paper, endorsed bills receivable, 60 to 90 days	8 —½	5½—6	4½—5	5 —¼	4 —½	3¼—4
Commercial paper, prime single names, 4 to 6 months	8 —½	5½—6	5 —½	5½—	4 —½	4 —½
Commercial paper, good single names, 4 to 6 months	9 —	6 — ½	5½—6	—	4½—5	

the necessity for an increased supply of currency existed at every important financial center of the country.

In this connection the failure of Congress to adopt a new currency system may be mentioned. A compromise measure for an emergency currency was enacted in the last days of the session and the work of making a perfect system postponed to some future time.

THE MONEY MARKET.—Call money has ruled at low figures during the past month. Rates for time money are somewhat lower, but the demand for over the year money has improved. At the close of the month call money ruled at 1½@1¾ per cent., with the majority of loans at 1⅝ per cent. Banks and trust companies loaned at 1½ per cent. as the minimum. Time money on Stock Exchange collateral is quoted at 2½@2¾ per cent. for sixty days, 2¾@3 per cent. for ninety days, 3@3¼ per cent. for four months, 3½ per cent. for five months, 3½@3¾ per cent. for six months and 4¼@4½ per cent. for seven to eight months on good mixed collateral. For commercial paper the rates are 3¾@4 per cent. for sixty to ninety days' endorsed bills receivable, 4@4½ per cent. for first-class four to six months' single names, and 4½@5 per cent. for good paper having the same length of time to run.

NEW YORK BANKS.—New records for both loans and deposits were made by the New York Clearing House banks in May. The former reached $1,219,047,900 on May 23, the highest total prior to last month being $1,198,078,500, recorded on November 30, 1907. Deposits increased to $1,296,923,300 on May 23, which is also a maximum record, exceeding the record of $1,250,000,000 made on April 25 last. The last week of the month witnessed a decrease of about $4,000,000 in loans and of $11,000,000 in deposits, but the former are $25,000,000 more than at the beginning of the month and the latter $28,000,000 more. After gaining nearly $6,000,000 in specie the banks lost $15,000,000 in the last two weeks of the month, making the net loss for the month $9,000,000. Legal tenders. increased about $2,000,000. The surplus reserve after advancing to nearly $65,000,000 fell to less than $48,000,000.

FOREIGN BANKS.—The Bank of England gained £1,500,000 gold in May, the Bank of France $37,000,000 and the Bank of Germany $9,000,000. The Bank of Russia

NEW YORK CLEARING HOUSE BANKS—AVERAGE CONDITION AT CLOSE OF EACH WEEK.

DATES.	Loans.	Specie.	Legal tenders.	Net Deposits.	Surplus Reserve.	Circulation.	Clearings.
May 2...	$1,190,455,200	$308,045,000	$68,747,700	$1,257,759,200	$62,352,900	$58,248,600	$1,660,641,400
" 9...	1,196,342,200	313,304,500	68,160,200	1,270,324,900	63,883,475	57,337,600	1,531,496,600
" 16...	1,201,120,000	313,980,500	69,681,900	1,276,220,600	6[illegible]07,[illegible]0	[illegible]7,206,200	1,548,310,000
" 23...	1,219,047,900	312,055,400	68,660,800	1,296,923,300	56,485,375	57,267,200	1,607,027,000
" 29...	1,215,118,500	298,729,800	70,627,400	1,285,788,800	47,910,000	57,150,400	1,281,153,500

NEW YORK CLEARING HOUSE BANKS—ACTUAL CONDITION.

Dates.	Loans.	Specie.	Legal Tenders.	Net Deposits.	Reserve Held.
May 2	$1,194,148,800	$309,133,400	$68,873,000	$1,264,782,100	$377,006,400
" 9	1,197,914,600	317,207,500	69,061,300	1,276,624,300	386,268,800
" 16	1,208,879,800	316,371,100	69,249,500	1,286,447,500	385,620,600
" 23	1,220,089,300	311,000,900	69,813,500	1,302,135,100	380,814,400
" 29	1,218,677,900	296,382,700	72,206,300	1,290,304,200	368,589,000

State Banks and Trust Companies Outside of Clearing House—Average Condition.

Dates.	Loans.	Specie.	Legal Tenders.	Net Deposits.	Gross Deposits.	Reserve on Deposits
May 2........	$829,127,600	$47,095,300	$11,689,500	$670,188,600	$856,926,500	$268,392,500
" 9........	852,750,900	48,009,700	12,077,100	698,516,100	886,858,600	283,035,400
" 16........	861,556,200	49,160,500	11,900,900	711,324,700	897,160,800	284,536,100
" 23........	861,385,000	49,719,600	12,005,700	714,143,600	908,259,500	292,153,800
" 29........	866,760,000	52,306,800	12,077,200	722,442,700	921,000,600	301,687,800

State Banks—Average Condition.

Dates.	Loans.	Specie.	Legal Tenders.	Gross Deposits.	Reserve on Deposits.
May 2..............	$260,170,600	$53,862,400	$20,600,600	$306,962,900	$92,018,700
" 9..............	264,307,500	52,788,700	20,137,100	313,121,600	91,350,300
" 16..............	26[illegible].782,400	57,023,100	20,121,000	316,742,400	96,177,100
" 23..............	265,911,500	57,6[illegible]6,100	20,003,500	317,440,400	95,625,800
" 29..............	266,805,500	59,671,900	20,192,200	318,961,400	96,070,400

Trust Companies—Average Condition.

Dates.	Loans.	Specie.	Legal Tenders.	Gross Deposits.	Reserve on Deposits.
May 2..............	$751,080,100	$43,159,500	$5,870,300	$766,559,300	$244,001,900
" 9..............	773,695,100	44,152,600	6,008,800	794,226,200	257,625,800
" 16..............	781,984,500	44,974,300	5,728,600	803,075,000	258,184,200
" 23..............	782,114,100	45,501,700	5,799,100	814,719,500	268,261,300
" 29..............	787,166,200	48,036,800	5,854,700	827,773,200	276,125,600

Deposits and Surplus Reserve on or About the First of Each Month.

Month.	1906.		1907.		1908.	
	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.
January	$977,651,300	$4,292,575	$981,301,100	$5,369,225	$1,050,925,400	*$20,170,350
February..................	1,061,403,100	11,127,625	1,076,720,000	12,634,100	1,138,501,500	40,526,725
March.....................	1,029,545,000	5,008,755	1,038,431,800	3,857,650	1,167,623,700	29,262,675
April.....................	1,004,290,500	5,131,270	1,019,817,300	13,131,275	1,189,334,300	39,788,525
May.......................	1,028,683,200	10,367,400	1,106,183,300	12,346,775	1,257,759,200	62,352,900
June......................	1,036,751,100	6,816,025	1,128,194,600	12,782,450	1,285,788,800	47,910,000
July......................	1,049,617,000	12,055,750	1,092,031,700	2,509,275	....	....
August	1,060,116,900	18,892,475	1,099,302,400	7,473,200	....	....
September.................	1,042,057,200	2,869,400	1,046,655,800	8,756,450	....	....
October...................	1,034,059,000	12,540,350	1,055,193,700	5,646,575	....	....
November	1,015,824,100	3,049,775	1,051,786,900	*38,838,825	....	....
December..................	998,634,700	1,449,125	1,083,283,300	*52,989,425	....	....

Deposits reached the highest amount, $1,296,923,300, on May 23, 1908; loans, $1,219,047,900 on May 23, 1908, and the surplus reserve $111,623,000 on Feb. 3, 1894. * Deficit.

Non-Member Banks—New York Clearing-House.

Dates.	Loans and Investments.	Deposits.	Specie.	Legal tender and bank notes.	Deposit with Clearing-House agents.	Deposit in other N. Y. banks.	Surplus Reserve.
May 2..............	$84,057,400	$97,922,900	$5,343,900	$6,171,100	$13,592,100	$4,390,500	$5,016,875
" 9..............	85,382,600	100,073,700	5,187,000	6,423,900	15,820,800	4,365,900	6,779,175
" 16..............	85,600,500	100,612,000	5,160,300	6,696,900	14,334,700	4,790,500	5,829,400
" 23..............	85,791,100	99,262,800	5,295,200	6,732,300	12,870,600	4,687,400	4,769,800
" 29..............	85,993,900	100,275,900	5,274,500	6,784,900	14,529,000	4,407,300	5,926,725

Boston Banks.

Dates.	Loans.	Deposits.	Specie.	Legal Tenders.	Circulation.	Clearings.
May 2	$184,464,000	$223,852,000	$21,549,000	$2,614,000	$10,582,000	$150,392,700
" 9	187,361,000	221,961,000	21,392,000	2,568,000	10,551,000	137,300,600
" 16	187,875,000	228,046,000	21,507,000	2,688,000	10,596,000	141,650,400
" 23	188,484,000	228,784,000	21,719,000	2,843,000	10,581,000	147,377,000
" 29	189,469,000	225,134,000	21,465,000	2,873,000	10,561,000	112,251,800

Philadelphia Banks.

Dates.	Loans.	Deposits.	Lawful Money Reserve.	Circulation.	Clearings.
May 2	$223,555,000	$258,302,000	$68,942,000	$17,379,000	$117,359,200
" 9	225,073,000	259,423,000	68,033,000	17,295,000	117,037,000
" 16	224,408,000	264,080,000	70,926,000	17,283,000	123,518,900
" 23	223,926,000	264,232,000	72,452,000	17,233,000	117,556,000
" 29	225,331,000	264,145,000	71,374,000	17,132,000	88,554,000

Gold and Silver in the European Banks.

	April 1, 1908.		May 1, 1908.		June 1, 1908.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England	£39,722,848	....	£37,350,440	....	£37,674,489	....
France	110,849,453	£36,069,044	118,885,854	£36,211,550	121,318,489	£36,684,171
Germany	30,120,000	12,483,000	34,501,000	14,300,000	36,870,000	15,073,000
Russia	114,113,000	6,812,000	112,107,000	6,956,000	111,400,000	7,566,000
Austria-Hungary	46,652,000	12,953,000	46,623,000	13,434,000	46,758,000	13,335,000
Spain	15,511,000	26,291,000	15,542,000	26,394,000	15,576,000	26,577,000
Italy	36,400,000	4,480,000	36,336,000	4,400,000	36,823,000	4,395,000
Netherlands	7,695,000	4,442,100	7,697,900	4,356,200	7,700,400	4,315,300
Nat. Belgium	4,022,000	2,011,000	4,081,333	2,040,667	4,171,333	2,085,667
Sweden	3,899,000	....	3,896,000	....	3,892,000	....
Switzerland	3,376,000	....	3,369,000	....	3,432,000	....
Norway	1,500,000	....	1,670,000	....	1,493,000	....
Totals	£413,661,201	£105,541,144	£417,059,027	£108,092,417	£426,108,671	£110,051,138

Rates for Sterling at Close of Each Week.

Week ended.	Bankers' Sterling. 60 days.	Bankers' Sterling. Sight.	Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
May 2	4.8450 @ 4.8460	4.8690 @ 4.8695	4.8725 @ 4.8730	4.84⅛ @ 4.84¼	4.83⅛ @ 4.84⅝
" 9	4.8480 @ 4.8490	4.8710 @ 4.8720	4.8750 @ 4.8760	4.84⅜ @ 4.84½	4.83¾ @ 4.84¾
" 16	4.8515 @ 4.8525	4.8705 @ 4.8715	4.8730 @ 4.8740	4.84¾ @ 4.84⅞	4.84⅛ @ 4.84¾
" 23	4.8525 @ 4.8535	4.8710 @ 4.8720	4.8735 @ 4.8740	4.84⅞ @ 4.85	4.84¼ @ 4.84⅞
" 29	4.8555 @ 4.8565	4.8715 @ 4.8720	4.8740 @ 4.8750	4.84¼ @ 4.85⅝	4.84¼ @ 4.85⅝

lost $3,500,000. All except the latter have a larger stock of gold than they held a year ago. The principal change is an increase of $77,000,000 reported by the Bank of France.

Foreign Exchange.—Rates for sterling are higher than they were a month ago and there is some uncertainty as to the immediate future. Remittances for stock sold recently for European account had some influence upon the market. The gold export movement, which since April has exceeded $35,000,000, has induced some selling of exchange with the expectation of a subsequent fall in rates.

Money Rates Abroad.—The only change made in the posted rate of discount of any of the European banks last month was the reduction from 3 to 2½ per cent. by the Bank of England on May 28. The higher rate was made on March 19 last. Open market rates in the principal money centers have declined since the beginning of the month. Discounts of sixty to ninety-day bills in London at the close of the month were 1⅝ per cent., against 2⅝ per cent. a month ago. The open market rate at Paris was 1⅞@2 per cent. against 2⅝ per cent. a month ago, and at Berlin and Frankfort 3¾ per cent., against 4¼@4¾ per cent. a month ago.

Silver.—The London silver market was

Foreign Exchange—Actual Rates on or About the First of Each Month.

	Feb. 1.	*Mar. 1.*	*April 1.*	*May. 1.*	*June 1.*
Sterling Bankers—60 days	4.83⅞— 84	4.83⅝— ¾	4.84¼— ½	4.84½— ⅝	4.85½— ⅝
" " Sight	4.86⅞— 87	4.86⅝— ¾	4.86⅜— ½	4.87 — ⅛	4.87⅛— ¼
" " Cables	4.87⅜— ½	4.87⅛— ¼	4.86⅝— ¾	4.87¼— ⅜	4.87⅜— ½
" Commercial long	4.83¼— ⅜	4.83⅛— ¼	4.83 — ¾	4.84⅝— ¾	4.85¼— ⅜
" Docu'tary for paym't	4.82¾— 3½	4.82⅝— 3⅜	4.83 — 4	4.83¾— —	4.84¼— 5⅜
Paris—Cable transfers	5.16¼—15⅝	5.16⅞—	5.16¼—15⅝	5.15 1/16— 15	5.15 1/16—15
" Bankers' 60 days	5.19⅜— 18¾	5.20 — 19⅜	5.18¾—	5.18⅛—17½	5.17½—16⅞
" Bankers' sight	5.16¼—	5.17⅛— 16⅞	5.16⅞— ¼	5.15⅝— —	5.15⅝—
Swiss—Bankers' sight	5.17⅛—16⅞	5.18⅛ - 17½	5.16⅞—	5.16¼— —	5.16¼—
Berlin—Bankers' 60 days	94⅜ - 7/16	94 5/16— 7/16	94½— ⅝	94¾— ⅞	94⅞—95
" Bankers' sight	95 1/16— ⅛	95 — 1/16	95¼ — 5/16	95 5/16— ⅜	95 7/16—
Amsterdam—Bankers' sight	40 5/16— ⅜	40¼—	40 3/16—	40¼— 5/16	40¼— 5/16
Kronors—Bankers' sight	26⅝— ¾	26⅝— ¾	26⅝— ¾	26¾— ⅞	26 13/16— 15/16
Italian lire—sight	5.16¼—	5.16⅞ —	5.16¼—15⅝	5.16¼—15⅝	5.15⅝— 1/16

weak early in the month, declining from 24⅜ to 24d. It subsequently advanced to 24 13-16d., but later declined and closed at 24 7-16d., a net advance of ⅛ for the month.

Foreign Trade.—For the fifth successive month the imports of merchandise have fallen below those of previous years. In April they amounted to $87,481,258, a decrease of $42,000,000 compared with April, 1907. With the exception of 1904 they are the smallest reported for April in any of the last six years. From December 1 to April 30 the imports have declined $208,000,000 as compared with the corresponding period of 1906-7. Exports of merchandise in April amounted to $133,470,333. This is a decrease of $24,000,000 compared with April, 1907, and of $11,000,000 compared with 1906, but larger than for the same month in any other year. The excess of exports is nearly $46,000,000, making for the ten months of the year a total of $613,000,000, or $200,000,000 more than in the previous year. There were net exports of gold in April to the amount of $12,000,000, but for the fiscal year the imports exceed the exports by $104,000,000.

National Bank Circulation.—There was an increase of $803,000 in amount of bank notes in circulation in May, but a decrease of $700,000 in circulation based upon Government bonds. The circulation based upon lawful money increased $1,500,000 and now reaches nearly $74,000,000, an increase of $20,000,000 in the last four months. This shows an exceptional proportion of notes in process of retirement. The reduction of Government deposits in the banks has caused a decrease of $41,000,000 in securities deposited to secure public funds. The amount is now $185,000,000.

Bank of England Statement and London Markets.

	Feb. 29, 1908.	*Mar. 31, 1908.*	*Apl. 30, 1908.*	*May 31, 1908.*
Circulation	£28,810,000	£28,905,000	£28,646,000	£28,462,000
Public deposits	17,177,000	15,6 0,000	9,992,000	10,426,000
Other deposits	43,728,000	43,464,000	43,132,000	42,812,000
Government securities	14,328,000	13,758,000	14,314,000	14,575,000
Other securities	34,840,000	35,439,000	29,480,000	28,826,000
Reserve of notes and coin	29,961,000	29,268,000	27,155,000	27,662,000
Coin and bullion	39,320,717	39,722,849	37,350,440	37,674,499
Reserve to liabilities	49.13%	49.50%	51.06%	51.90%
Bank rate of discount	4%	3%	3%	2½%
Price of Consols (2½ per cents.)	87 11/16	87 9/16	86 7/16	87 5/16
Price of silver per ounce	25 9/16d.	25 5/16d.	24 5/16d.	24⅜d.

Monthly Range of Silver in London—1906, 1907, 1908.

Month.	1906.		1907.		1908.		Month.	1906.		1907.		1908.	
	High	*Low.*	*High*	*Low.*	*High*	*Low.*		*High*	*Low.*	*High*	*Low.*	*High*	*Low*
January	30¼	29 11/16	32 7/16	31¼	26¾	25⅛	July	30 7/16	29 13/16	31 15/16	31		
February	30 13/16	30⅛	32⅛	31⅛	26 9/16	25¼	August	30 13/16	29⅞	32 3/16	31⅛		
March	30 7/16	29	32 1/16	30⅝	25 13/16	25 7/16	September	31¾	30 13/16	31 9/16	31⅛		
April	30 9/16	29⅝	30½	30	25½	24 5/16	October	32 9/16	31 11/16	30⅞	27 7/16		
May	31⅝	30 9/16	31⅛	29 13/16	24 13/16	24	November	33⅛	32	27 13/16	26 9/16		
June	31 1/16	29⅝	31 1/16	30⅝			December	32 5/16	31 9/16	26 11/16	24 3/16		

GOVERNMENT REVENUES AND DISBURSEMENTS.—A deficit of nearly $12,000,000 is reported by the United States Treasury for the month of May, making a total deficit of $63,000,000 for the eleven months of the current fiscal year. It is usual for the last month of the year to make a more favorable showing than previous months, but it is not likely that the deficit for the full year will be much if any less than

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	*Asked.*
Sovereigns	$4.85	$4.88
Bank of England notes	4.86	4.90
Twenty francs	3.90	3.96
Twenty marks	4.75	4.80
Twenty-five pesetas	4.78	4.82
Spanish doubloons	15.50	15.65
Mexican doubloons	$15.50	$15.65
Mexican 20 pesos	19.50	19.65
Ten guilders	3.95	4.00
Mexican dollars	.47	.52
Peruvian soles	.37	.41
Chilian pesos	.37	.41

Bar silver in London on the first of this month was quoted at 24 1/16d. per ounce. New York market for commercial silver bars, 53 @ 54⅛c. Fine silver (Government assay), 53⅛ @ 54⅝c. The official price was 53c.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF APRIL.	MERCHANDISE.			Gold Balance.	Silver Balance.
	Exports.	*Imports.*	*Balance.*		
1903	$109,827,215	$87,682,106	Exp., $22,145,109	Imp., $ 355,845	Exp., $1,033,818
1904	109,880,495	83,521,882	" 26,358,523	" 9,180,288	" 1,617,322
1905	128,575,374	95,110,288	" 33,465,086	" 1,277,183	" 242,277
1906	144,380,040	107,318,181	" 37,061,959	" 12,456,031	" 1,379,828
1907	157,451,781	129,554,075	" 27,897,706	" 2,754,683	" 892,555
1908	133,470,333	87,481,258	" 45,989,075	Exp., 12,059,171	" 1,144,458
TEN MONTHS.					
1903	$1,223,989,242	864,684,323	Exp., 359,304,919	Imp., 20,256,890	Exp., 20,045,332
1904	1,277,715,480	829,231,975	" 448,483,505	" 46,828,164	" 16,931,012
1905	1,273,614,611	934,540,402	" 339,074,209	Exp., 39,238,805	" 17,290,923
1906	1,488,282,130	1,020,873,178	" 467,408,952	Imp., 29,346,571	" 19,534,562
1907	1,608,351,880	1,195,399,104	" 412,952,776	" 86,641,152	" 11,145,276
1908	1,631,906,065	1,018,345,740	" 613,560,325	" 104,525,375	" 11,789,997

NATIONAL BANK CIRCULATION.

	Feb. 28, 1908.	*Mar. 31, 1908.*	*Apl. 30, 1908.*	*May 31, 1908.*
Total amount outstanding	$695,674,519	$696,407,355	$697,645,698	$698,449,517
Circulation based on U. S. bonds	632,458,712	628,834,336	625,424,375	624,714,147
Circulation secured by lawful money	63,215,807	67,573,019	72,220,323	73,735,370
U. S. bonds to secure circulation:				
Four per cents. of 1925	16,384,750	16,253,750	15,470,750	15,032,250
Three per cents. of 1908-1918	9,788,520	9,377,120	9,265,700	9,463,440
Two per cents. of 1930	560,353,850	557,277,400	554,263,700	553,837,450
Panama Canal 2 per cents	34,463,040	35,327,800	35,652,780	36,511,520
Certificates of Indebtedness 3 per cent	15,436,500	16,253,750	14,186,500	14,186,500
Total	$636,426,660	$632,422,570	$628,839,430	$629,031,160

The National Banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1925, $8,612,950; 3 per cents. of 1908-1918, $8,153,700; 2 per cents. of 1930, $48,825,400; Panama Canal 2 per cents. $16,986,540; District of Columbia 3.65's, 1924, $2,651,000; Hawaiian Islands bonds, $2,004,000; Philippine loan, $8,893,000; state, city and railroad bonds, $88,459,376; Porto Rico, $770,000; certificates of indebtedness 3 per cent., $——— ; a total of $185,355,965.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.

Source.	*May, 1908.*	*Since July 1, 1907.*
Customs	$10,414,741	$262,848,878
Internal revenue	18,166,464	226,937,988
Miscellaneous	5,116,744	56,620,284
Total	$12,698,052	$546,407,150
Excess of receipts	*$11,958,990	*$63,603,605

*Excess of expenditures.

EXPENDITURES.

Source.	*May, 1908.*	*Since July 1, 1907*
Civil and mis.	$10,582,622	$134,776,767
War	9,482,634	102,676,189
Navy	9,163,590	108,572,662
Indians	1,257,031	13,179,654
Pensions	14,088,718	142,399,538
Public works	8,319,391	87,148,002
Interest	1,763,062	21,257,943
Total	$54,657,043	$610,010,755

United States Public Debt.

	Mar. 1, 1908.	April 1, 1908.	May 1, 1908.	June 1, 1908.
Interest-bearing debt:				
Consols of 1930, 2 per cent	$646,250,150	$646,250,150	$646,250,150	$646,250,150
Loan of 1925, 4 per cent	118,489,900	118,489,900	118,489,900	118,489,900
Loan of 1908-1918, 3 per cent	63,945,460	63,945,460	63,945,460	63,945,460
Panama Canal Loan of 1916, 2 per cent	54,631,980	54,631,980	54,631,980	54,631,980
Certificates of Indebtedness 1908	15,436,500	14,186,500	14,186,500	14,186,500
Total interest-bearing debt	$898,753,990	$897,503,990	$897,503,990	$897,503,990
Debt on which interest has ceased	4,887,095	4,675,215	4,500,695	4,291,305
Debt bearing no interest:				
Legal tender and old demand notes	346,734,298	346,734,298	346,734,298	346,734,298
National bank note redemption acct	62,028,732	66,553,189	71,162,425	71,879,462
Fractional currency	6,863,434	6,862,834	6,862,814	6,862,814
Total non-interest bearing debt	$415,626,465	$420,150,321	$424,759,537	$425,476,575
Total interest and non-interest debt	1,319,267,550	1,322,329,527	1,326,764,223	1,327,271,870
Certificates and notes offset by cash in the Treasury:				
Gold certificates	830,046,869	835,010,869	846,910,869	825,730,869
Silver certificates	457,044,000	452,048,000	463,778,000	474,054,000
Treasury notes of 1890	5,319,000	5,240,000	5,152,000	5,070,000
Total certificates and notes	$1,292,409,869	$1,292,298,869	$1,315,840,869	$1,304,854,869
Aggregate debt	2,611,677,419	2,614,628,396	2,642,605,092	2,632,126,739
Cash in the Treasury:				
Total cash assets	1,830,147,441	1,825,868,700	1,839,050,36	1,817,636,025
Demand liabilities	1,411,301,637	1,413,260,510	1,437,453,373	1,426,702,769
Balance	$418,845,804	$412,608,190	$401,596,987	$390,933,255
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	268,845,804	262,608,190	251,596,987	240,933,254
Total	$418,845,804	$412,608,103	$401,596,987	$390,933,255
Total debt, less cash in the Treasury	900,421,746	909,721,367	925,167,236	936,338,615

Money in Circulation in the United States.

	Mar. 1, 1908.	April 1, 1908.	May 1, 1908.	June 1, 1908.
Gold coin	$633,804,057	$629,782,705	$628,168,888	$618,620,761
Silver dollars	86,539,225	83,596,986	80,750,394	78,103,331
Subsidiary silver	127,358,912	126,034,150	124,541,160	121,382,852
Gold certificates	791,661,899	808,340,829	817,326,479	783,708,489
Silver certificates	446,191,369	438,181,217	446,257,981	456,668,484
Treasury notes, Act July 14, 1890	5,308,501	5,225,744	5,139,265	5,053,899
United States notes	337,053,815	333,513,309	336,231,579	335,192,274
National bank notes	664,719,363	655,825,794	647,878,355	637,452,199
Total	$3,092,666,641	$3,080,450,734	$3,086,294,101	$3,036,182,289
Population of United States	87,021,000	87,140,000	87,258,000	87,377,000
Circulation per capita	$35.54	$35.35	$35.37	$34.75

is shown for the eleven months, while it may be more. In the eleven months of the previous year there was a surplus of $65,000,000. This year the revenues show a decrease of $56,000,000 and the expenditures an increase of $72,000,000.

United States Public Debt.—The net debt less cash in the Treasury increased $11,000,000 in May and the cash balance was reduced from $401,596,000 to $390,933,000. The effect of the gold movement is shown in a decrease of $21,000,000 in gold certificates outstanding. On the other hand silver certificates were increased $10,000,000. No change has occurred in the interest-bearing debt in the last two months.

Money in Circulation in the United States.—The volume of circulation was reduced $50,000,000 in May, the cause being gold exports and withdrawal of public deposits from the banks. There was a decrease of $10,000,000 in gold coin, $33,000,000 in gold certificates and $10,000,000 in national bank notes. There was an increase of $10,000,000 in silver certificates.

Money in the United States Treasury.—The total cash in the Treasury increased $3,000,000 last month, but a decrease of $23,000,000 in certificates outstanding made the net cash show an increase of $26,000,000. Of this increase $20,000,000 was in gold. National bank notes held in the Treasury increased $11,000,000.

Supply of Money in the United States.—The total stock of money in the country was reduced about $24,000,000 in May, nearly all of which loss was in gold. The decrease leaves the supply smaller than at any other time since January.

MONEY IN THE UNITED STATES TREASURY.

	Mar. 1, 1908.	*April 1, 1908.*	*May 1, 1908.*	*June 1, 1908.*
Gold coin and bullion	$1,002,044,417	$1,012,632,909	$1,011,09[illegible],496	$997,393,172
Silver dollars	481,710,757	4[illegible]4,652,996	487,499,588	490,146,651
Subsidiary silver	16,075,711	18,452,313	20,267,842	22,155,411
United States notes	9,627,701	13,167,707	10,449,437	11,488,742
National bank notes	30,955,156	40,581,561	49,767,348	60,997,318
Total	$1,540,413,742	$1,569,6 7,486	$1,579,082,706	$1,582,181,294
Certificates and Treasury notes, 1890, outstanding	1,243,161,769	1,251,747,7[illegible]0	1,268,723,725	1,245,430,872
Net cash in Treasury	$297,251,973	$317,939,696	$310,358,981	$336,750,422

SUPPLY OF MONEY IN THE UNITED STATES.

	Feb. 1, 1908.	*Mar. 1, 1908.*	*April 1, 1908.*	*May 1, 1908.*	*June 1, 1908.*
Gold coin and bullion	$1,628,600,555	$1,635,848,474	$1,642,565,614	$1,639,267,384	$1,616,013,933
Silver dollars	568,249,982	568,249,982	568,249,982	568,249,982	568,249,982
Subsidiary silver	141,517,793	143,464,623	144,486,463	144,809,002	143,538,363
United States notes	346,681,016	346,681,016	346,681,016	346,681,016	346,6[illegible]1,016
National bank notes	695,402,762	695,674,519	696,407,355	697,645,698	698,449,517
Total	$3,380,452,108	$3,389,918,614	$3,398,390,420	$3,39[illegible],653,0[illegible]2	$3,372,932,711

WITH BANKERS MAGAZINE ADVERTISERS.

THE Burroughs Adding Machine Company has issued another one of its strong multi-colored circulars. This one is descriptive of the Burroughs Electric machine which, "saves still more of those wasted dollars." It is claimed that electricity practically doubles the usefulness of the Burroughs Adding and Listing Machine, greatly increases the efficiency of the operator, and at the same time cuts down by half the effort required to operate it. Everyone interested in modern methods of bank work should send for this attractive and instructive circular.

The Burroughs Company has reprinted for gratuitous distribution "A History of National Banking" by T. R. Preston, president of the Hamilton National Bank of Chattanooga, Tenn.

The Berger Manufacturing Company of Canton, O., has just issued its 1908 catalog of steel office furniture. It is a handsome book, showing many new and especially useful combinations, gives dimensions, weights, code words and other valuable information. It is really remarkable the extent to which this business has developed and a perusal of this interesting catalog cannot help giving one helpful ideas on modern office equipment. In speaking of the special advantages of steel furniture the catalog says:

Steel filing devices are safer, stronger, and more durable; their non-combustible and fire-resistive properties are in line with modern advanced practice, which tends to the elimination of inflammable materials from building construction and equipment.

Steel filing equipment not only furnishes no food for flames, but becomes actually a fire-retardant and a protection to its contents. It is vermin and rodent proof, and is not affected by atmospheric changes—does not shrink, swell, stick, or come apart.

Steel filing equipment is no longer a novelty or innovation. It has been extensively adopted by critical users. Its advantages over wood construction are more generally recognized than ever. The permanence of the demand for it is fully assured.

"Do you think prosperity is returning?"

"I do. I had $7 to my credit in the bank Saturday night after having paid all but my laundry and telephone bills."—*Exchange.*

+

Banker James B. Forgan, who says there is no such thing as emergency currency, has probably never had to draw $2 the day before pay-day.—*New York Evening Mail.*

BANKING AND FINANCIAL NOTES

NEW YORK CITY.

Samuel H. Miller has been appointed cashier of the Chase National Bank, succeeding E. J. Stalker, who has retired because of ill health.

Mr. Miller, the new cashier has been with the Chase National for almost twenty years and has served in various capacities from errand boy to assistant cashier. His advancement has been simultaneous with the rapid growth of the bank itself, which has come to be known as one of the foremost banking houses in this country.

Its official statement issued under date of May 14 last shows a capital of $5,000,000; surplus and undivided profits, $5,019,484; deposits, $96,645,741.

SAMUEL H. MILLER
Cashier Chase National Bank.

At the same meeting at which Mr. Miller was appointed cashier, two additional assistant cashiers were appointed, Henry M. Conkey and Alfred C. Andrews, both appointments being meritorious.

—More than three hundred bankers from all parts of the state attended the fifteenth annual meeting of the Savings Bank Association held May 14, in the Chamber of Commerce building.

Clark Williams, State Superintendent of Banking, spoke highly of the management of the savings banks and declared that their success was due to their strict adherence to the unselfish principles upon which they were founded.

W. Bayard Van Rensselaer, of Albany, the retiring president, spoke in favor of a reorganization of the New York City Finance Department as one of the things which the savings banks must labor for, since they owned $150,000,000 of city bonds and it was therefore of great importance to them to know that the municipal finance was placed upon a sound, business basis.

The following were unanimously elected officers of the Association for the ensuing year: President, Charles A. Miller, vice-president of the Savings Bank of Utica; first vice-president, Walter Trimble, president of the Bank for Savings of the City of New York; members of the executive committee, Robert S. Donaldson, Thomas F. Balfe, Henry A. Schenck, and William G. Conklin.

—A. E. G. Goodrich, vice-president of the Guardian Trust Co., who is also president of the Interboro Bank of New York, announces that at a special meeting of the stockholders of the Interboro Bank it was decided to liquidate the affairs of the Interboro Bank.

The Interboro Bank is a comparatively small institution with a capital of $200,000 and surplus and undivided profits of $110,000. According to its last statement, deposits amounted to $378,000. The bank was organized in 1904.

Recently A. E. G. Goodrich was elected vice-president of the Guardian Trust Company, and three directors, namely: Wm. Carpenter, Otto Sartorius and Howell H. Barnes, were also elected directors of the Guardian Trust Co. This gave rise to the rumor that some merger plans were under way between the two institutions. It has, however, been ultimately decided to liquidate the Interboro Bank.

—The plan to merge the Equitable and Mercantile Trust Companies has been abandoned and it is now believed by directors of both institutions that in view of the changed conditions since the plan was first formulated it would be for the best interests of both to remain independent.

A dividend of nine per cent. has been declared on the capital stock of the Equitable and one of thirty per cent. on the capital stock of the Mercantile. These disbursements are at the same rate as before the panic and cover the period during which dividends were deferred pending litigation.

—Plans have been filed for the proposed new fourteen-story building for the Emigrant Industrial Savings Bank to be erected at 43 to 51 Chambers street, running through to Reade street. The main facade on Chambers street will be of granite at the lower stories and limestone above, and on Reade street the front will be of limestone and ornamental brick. Several floors will be alloted to the bank's quarters. The basement will be fitted up as a gymnasium, bowling alley, and sitting room for bank attaches. The building is to cost $1,500,000. The architect is Raymond F. Almirall.

—At the annual meeting of the stockholders of the United States Mortgage and Trust Company held on May 3, the board was formally reduced from thirty to twenty-one. George M. Cumming, George G. Haven, Jr., and William B. Leeds, who resigned some time ago, were left off the board and other vacancies were not filled. Arthur Turnbull of Post and Flagg, who has been vice-president for many years, was elected acting president.

—A. E. Stilger, cashier of the Chelsea Exchange Bank of this city, has been elected first vice-president of the institution, continuing also as cashier.

—Action has been taken by the directors of the United States Mortgage & Trust Co., which will prevent passing of control of that institution for the next three years,

unless approval is given by the dominating interests. Seven directors will go out in 1909, seven in 1910 and a corresponding number in 1911.

It was decided to reduce the number on the board from thirty to twenty-one. Only one new director was elected. L. C. Krautnoff, an attorney, representing P. A. Valentine and other Chicago capitalists, was added to the board. W. B. Leeds retires. No successors were chosen to G. M. Cumming, the late president, who retired as a director, or to the late G. G. Haven.

The executive committee consists of Dumont Clarke, E. B. Thomas, Charles D. Dickey, G. E. Kissel, James Timpson, C. C. Cuyler, Mortimer L. Schiff and the president *ex-officio*.

Pending the consideration of a choice of a permanent president, Arthur Turnbull, who was for many years actively connected with the company as vice-president, and who is at present one of its vice-presidents, was designated by the board as the acting president of the company.

—The board of directors of the Hamilton Bank has removed the final restriction on all deposits under the reopening agreement signed by the depositors. On and after July 1, all restrictions are waived on the last payment of sixty per cent. which was to have been available to depositors after November 20, 1908. All the other payments have been anticipated.

—On April 30, Gov. Hughes signed the banking law amendment which provides that no trust company shall open a branch office without having obtained the approval of the Superintendent of Banks, which shall not be granted until he ascertains there is a public necessity for it and that the capital of such trust company actually paid in shall exceed by $100,000 the amount required by law.

—Superintendent Clark Williams of the State Banking Department has announced that he has approved the application of the Knickerbocker Safe Deposit Co. for maintenance of branch offices at 66 Broadway, 100 West 125th street, and 148th street and Third avenue.

The company has a capitalization of $100,000 for each branch as required by law.

—Directors of the Knickerbocker Trust Co. have passed resolutions to anticipate the next two payments due depositors under the plan of resumption, five per cent. being due June 26, and five per cent. September 26. These were placed to the credit of depositors on June 1.

—The Lafayette Trust Co., formerly the Jenkins Trust Co. of Brooklyn, has anticipated the first ten per cent. payment, which was due May 15 under the terms of its reopening, on April 15. The plan provided for the payment of ten per cent. to the depositors monthly after reopening. Each installment represents a distribution of about $300,000.

—The sale of the necessary 2,000 shares for the incorporation of the new People's National Bank of Brooklyn is proceeding. The bank will have a capital of $200,000 and surplus of $100,000. It will be located in the upper Broadway section of Brooklyn, and no other national bank will be within a mile of it. George W. Spence will likely be its new president.

—For the second time in ten years the directors of the First National Bank of

Manhattan have declared a large special dividend. The dividend is 100 per cent., or $10,000,000, which will be used to subscribe to the $10,000,000 capital of the First Security Company. The First Security Company will handle banking operations other than those especially provided for in the charters of national banks.

—At a meeting of directors of the Northern Bank of New York, the Riverside Bank and the Hamilton Bank held recently, it was decided to merge the three institutions, making a bank with a combined capital and surplus of more than $1,000,000 and deposits of more than $7,000,000. Negotiations are under way for the absorption by the merger bank of one or two other institutions. The business of all of them, it is believed, will be conducted in the same locations as at present, the only result as far as customers are concerned being to give them the protection afforded by a combination of resources. The Hamilton Bank, of which E. R. Thomas was president, suspended during the panic, but has since been rehabilitated, has a capital of $300,000 and deposits of $4,000,000. Superintendent of Banking Clark Williams has approved the merger which will follow soon.

—The Stock Exchange firm of Coster, Knapp & Co. did not long survive the death of Charles Coster, the senior partner, who shot himself April 28. The surviving partner, J. M. Knapp, announced its suspension before the opening of business the following day and filed assignments for the firm and individually. Mr. Coster before he killed himself, according to Louis Werner, the assignee, had ruined the firm by individual speculation, in the course of which he hazarded and lost not only his own and the firm's money but some $300,000 deposited with him by relatives.

—"In God We Trust," the motto taken off our gold and silver coins by order of President Roosevelt, has been restored by the unanimous vote of the senate and the president's own signature.

—O. H. Cheney, a member of the law firm of Cheney, Schenck and Stockell, has been appointed Third Deputy Superintendent of the Banking Department, a new office created by the legislature at this last session. He will have charge of the New York city office at No. 52 Broadway, taking up his duties at once.

—The entrance of Farmers' Loan and Trust Company interests into the affairs of the Franklin Trust Company of Brooklyn was made apparent May 8 by the election of Moses Taylor Pyne, Edwin S. Marston, Charles A. Peabody, and H. D. Auchincloss to the Franklin's directorate. Mr. Marston is president of the Farmers' and the others are members of the board.

—Denver will be the next gathering place of the American Bankers' Association, according to the decision reached by the members of the executive committee of the association, who met at Lakewood, N. J., May 5. The session will be in September.

—Receiver Hanna, of the National Bank of North America, of which Charles W. Morse was vice-president and controlling factor, states that the depositors of the bank will finally receive 100 cents on the dollar. Mr. Hanna added that he had in sight for payment to stockholders approximately $750,000.

—E. S. A. De Lima has succeeded W. H. Bryan as president of the Hungarian-American Bank at 32 Broadway. Within recent months the European interests which at the bank's organization were its important backers, have largely increased their stock holdings. The new president has been for twenty-eight years senior partner in the firm of D. A. De Lima, an old established banking and export concern.

—At the 140th annual meeting of the Chamber of Commerce held May 8, Joseph H. Choate presented for Mrs. Morris K.

Jesup one of Gilbert Stuart's portraits of Washington. Mr. Choate also presented on behalf of Mrs. Jesup two vases which had been given to Governor DeWitt Clinton by the merchants of Pearl street in 1827, in testimony of their gratitude and respect for his public services in connection with the Erie Canal.

Upon motion of A. Barton Hepburn, chairman of the Executive Committee, it was decided to hold the annual banquet of the Chamber on November 19. Another resolution from Mr. Hepburn which was passed complimented the Bureau of Municipal Research upon its services in the investigation of the organization and accounting methods of the financial department of the city.

At the election of officers which followed the regular work of the day, the following men were chosen:

President—J. Edward Simmons.

Vice-presidents (to serve for four years until May, 1912)—Cleveland H. Dodge, James J. Hill, George F. Baer.

Treasurer—William H. Porter.

Secretary—George Wilson.

Chairman of the Executive Committee—A. Barton Hepburn.

Committee on Finance and Currency—James G. Cannon (chairman), Henry R. Ickelheimer, Gates W. Garrah.

—The New York Produce Exchange Bank has been authorized to establish a branch bank at the corner of Second Avenue and Fourteenth street, New York city.

—Walter M. Bennett, cashier of the Bank of America, has been elected a vice-president, retaining the office of cashier. Albert G. Havens, for many years the bank's credit man has been elected assistant cashier.

—The Fidelity Trust Co. began business on May 22, 1907, and has just published its anniversary record, which shows undivided profits earned $102,340 upon capital and surplus of $1,500,000. Deposits are now $4,208,172, and on Dec. 31, 1907, they were $3,016,523. The Fidelity Trust Co. has over 1,000 accounts on its books, with an average for each account of about $4,200. The average reserve for the year was twenty-six per cent. and the reserve required by law is fifteen per cent. Having its assets in liquid condition, this institution did not find it necessary during the panic to call a single loan of its customers. The officers of the Fidelity Trust Co. are: Samuel S. Conover, president; Wm. H. Barnard and John W. Nix, vice-presidents; Andrew H. Mars, secretary; Stephen L. Viele, assistant secretary.

—The president of the Greenwich Savings Bank, in connection with the seventy-fifth anniversary of the founding of the bank, which has just been reached, has submitted to the trustees of the institution an outline of the operations of the bank since its organization in May, 1833. A highly interesting contrast between the values then prevailing for real estate in this city and the compensation paid for services in those days with the prices and wages prevailing

to-day, is presented in the president's summary of the bank's activities.

The Greenwich Bank, after leaving its first quarters, at 10 Carmine street, which were leased at an annual rental of $125, had several buildings of its own, which were increased in size as the deposits of the bank gradually increased from $18,000 at the end of the first week to $10,000,000 in 1874. To-day the bank's deposits amount to $61,750,000, and it has a surplus of $4,000,000.

In 1839 the bank purchased and renovated the building at 11 Sixth avenue. Its entire cost was $6,940. Seven years later the northwest corner of Sixth avenue and Fourth street was purchased for $20,000, and in 1853 the southwest corner of Waverley place and Sixth avenue was purchased by the bank for $22,500, and a building put up on the site costing $79,000. The bank moved into its present building, at the southeast corner of Sixth avenue and Sixteenth street, in 1892.

It was more than a year after the bank was opened that any salaried services were needed. Up to August, 1834, the trustees managed the bank themselves. In that month an accountant was hired at $500 a year, a teller at $200, and a janitor at $100.

The bank has passed through several severe panics, beginning in 1837, but even in that year the bank paid its regular interest to its depositors.

—A report submitted by the Merchants National Bank at the close of business May 14, 1908, shows that bank to have total resources of $34,427,678.79. Other interesting facts disclosed were: A lawful money reserve of $5,687,912.80, of which $3,845,912.80 was in specie and the remaining $1,842,000 in legal-tender notes; a reserve for taxes of $18,500; and United States deposits of $1,055,000.

—Quite a few surprising and extraordinary statements have come to light since the call of May 14, and not the least remarkable of these is one submitted by the National Park Bank of New York. This bank which has a capital stock of $3,000,000 and a surplus of $9,340,276.15, showed on February 14, deposits of $88,396,007.43 and on May 14 they were $104,322,304.78, an increase for three months of nearly sixteen millions of dollars.

—August Belmont, Jr., and August Heckscher have been elected directors of the Windsor Trust Co., to succeed August Belmont and Andrew Freedman.

—An order authorizing a consolidation of the International Trust Co. and the Brooklyn Bank, and permitting the Brooklyn Bank to resume business after the discharge of Receivers Charles M. Higgins and

Bruyn Hasbrouck has been granted by Judge Betts in the Supreme Court. The Brooklyn Bank is also allowed to execute a contract for a loan with which to pay depositors and creditors.

—On June 10, the largest and strongest armor-plate vaults ever designed and constructed were opened by the Carnegie Safe Deposit Company in their quarters in the Trinity building, 115 Broadway. They are absolutely mob, fire, burglar and moisture proof and a twelve-inch gun would scarcely make an impression upon them. The great door, which weighs twenty tons, closes them hermetically and once closed they cannot be reopened until at the time indicated by intricate time locks.

—There are some bank statements so plainly giving evidence of strength and good management that it is a pleasure to examine them. Such is statement of the Market and Fulton National Bank of New York, made at the close of business May 14.

The bank has a million dollars capital, a million dollars to the credit of surplus fund and over half a million dollars undivided profits. A strong reserve is held, largely in specie. The individual deposits are above $7,000,000, while deposits of other banks and trust companies are over $2,600,000. Total resources are $12,738,317. This is a large aggregate, considering that this is strictly a commercial bank, removed altogether from Wall Street speculation.

NEW ENGLAND STATES.

—On April 21, the Merrill Trust Company of Bangor, Me., occupied the attractive new building which it has had built exclusively for its own use.

The new building is an excellent example of colonial architecture. Of Harvard brick, it rests upon a foundation of concrete and Maine granite and is trimmed with limestone and terra cotta. The idea of the banking room itself was obtained from the great banquet hall of the Harvard Club, of New York, with high wainscoting of dark English oak. Unobstructed light is obtained by location right alongside Kenduskeag stream, which flows through Bangor. An attractive room for ladies, a room for the use of customers who desire to hold directors' or stockholders' meetings, and safe deposit vaults, built according to the rules of best experience, are also provided.

—Michael F. Dooley, formerly vice-president of the Union Trust Co. of Providence, R. I., has been appointed president of the National Exchange Bank of that city. Mr. Dooley replaces A. R. Pierce, who has become vice-president of the bank.

—The bill prohibiting the operation of so-called "bucket shops" passed both branches of the Rhode Island Legislature May 6. The measure becomes operative on Sept. 1 next.

—Mr. Harry L. Burrage, president of the Eliot National Bank, was slightly injured recently by a fall from his horse at the Brookline Country Club, and it has been erroneously reported that his injuries were serious and possibly fatal. Mr. Burrage is already back at his desk, however, and can say with Mark Twain that the reports of his death were very much exaggerated.

HARRY L. BURRAGE

President Eliot National Bank, Boston. Erroneously reported as seriously injured.

—A handsome new building has just been completed for the Connecticut Savings Bank of New Haven, at a cost of $300,000. It is furnished with all the modern conveniences and devices for making the banking rooms safe and comfortable. The architectural design is superb and the white marble makes the building a striking one.

—Arthur H. Rice has been elected president of the Berkshire County Savings Bank at Pittsfield, Mass., to succeed the late Judge Joseph Tucker. Mr. Rice has been vice-president since 1894. The other officers elected were: Vice-Presidents, Michael

Casey, Franklin Weston, Henry A. Francis and Edward A. Jones; secretary, William A. Adam. The bank voted to increase the rate of interest, beginning July 1, from three and one-half to four per cent.

—The Agricultural Bank of Pittsfield, Mass., will erect a new building the coming summer on the site of the present buildings at North, Fenn and Durham streets.

—Responding to the call of May 14, the Old Colony Trust Company of Boston has incidentally presented a most excellent statement of its condition.

With total resources of over forty-two millions of dollars this bank has accumulated deposits of over thirty-four millions and had at the time of the call, over nine millions of available cash. It is also carrying nineteen and one-half millions of well secured loans and has other investments totaling over eleven millions of dollars.

—At a meeting of the directors of the New England Trust Co. of Boston held May 14, Nathaniel Thayer was elected vice-president, and James M. Prendergast a member of the executive and finance committees, filling vacancies caused by the death of Franklin Haven.

There was no successor appointed to Mr. Haven as a director, Nathaniel Thayer and James M. Prendergast already being directors.

—In 115 of the 189 savings banks in Massachusetts there are unclaimed deposits aggregating $567,932.85 in 1921 accounts. In his fifth report relating to such moneys, which has just been sent to the Legislature, Savings Bank Commissioner Pierre Jay says:

For the purpose of comparison the results of the five reports thus made are shown in the following table:

	Aggregating
68 banks in 1887 reported 1422 accounts	$478,288.28
79 banks in 1892 reported 1526 accounts	506,131.19
95 banks in 1897 reported 1721 accounts	567,318.01
108 banks in 1902 reported 1804 accounts	566,196.37
189 banks in 1907 reported 1921 accounts	567,932.85

A comparison of the present reports with those of five years ago discloses the fact that 20 of the banks, which in 1902 made returns, have discovered the owners of all the accounts reported by them at that time, numbering 60 and amounting to $17,170.22; while in 77 other banks, the owners of 784 accounts, aggregating $234,940.45, have been found.

A comparison of the returns first made in 1887 with those made by the same banks in 1907 discloses the following interesting result: In 1887, 68 banks reported 1,422 accounts, amounting to $478,388.28, and during the intervening 20 years the ownership of 1,104 of these accounts, amounting to $356,364.70, has been established.

—At a meeting of stockholders of the National Bank of the Republic of Boston May 11, it was voted to liquidate the business of the bank, and a liquidating committee was appointed, consisting of Charles A. Vialle, Albert Stone, Jacob F. Brown, Charles Hayden and Wm. H. Wellington.

It is probable that stockholders will receive in liquidation between $180 and $200 a share, including the $610,000 bonus recently paid by the National Shawmut Bank for the deposits of the Republic.

—Arthur B. Sillsbee, treasurer of the Cocheco Manufacturing Company and director in a number of mill corporations, has been elected president of the Merchants National Bank of Boston and assumed his duties on June 1. A. P. Weeks was also elected vice-president, which office

he will hold in conjunction with his position as cashier.

—The ten per cent. dividend just declared and now being paid to depositors of the American National Bank of Boston, which failed about two years ago, is the third declared by the receiver, the other declarations being fifty and twenty-five per cent., making a total of eighty-five per cent. Receiver William E. Neal has not as yet called an assessment on the stock of the bank and no action will be taken in this respect until it is known how much cash will be realized from the remaining assets of the bank.

—F. A. Drury has succeeded D. D. Muir as president of the Merchants' National Bank of Worcester, Mass. The latter recently became vice-president of the First National Bank of Boston.

—The Liberty Trust Co. of Boston, which opened for business in September last, has passed the million mark in deposits. At the call of May 14 it reported deposits of $1,188,153.06, with total resources of $1,400,295.59.

EASTERN STATES.

—The annual meeting of the Pittsburgh Chamber of Commerce was held at the new headquarters in the Keenan Building May 14. Twelve directors were elected to serve three years as follows: J. E. Ash, William Campbell, Taylor Alderdice, John Eichleay, Jr., Otto Felix, A. M. Hanauer, George A. Kelly, Jr., J. W. Marsh, Oliver McClintock, Robert Pitcairn, Lee S. Smith and W. G. Wilkins. Mr. Eichleay and Mr. Wilkins take the places of Willis F. King and Maj. A. P. Burchfield, who, for business reasons, did not care to serve.

Part of the important business transacted was the reading of President H. D. W. English's annual report in which he declared that Congressman John Dalzell had said he would be glad to take up the matter of the restoration of the "h" to Pittsburgh by the postoffice department. The report was approved. The treasurer's report showed that the year's receipts were $64,000, and the balance on hand $24,000. The membership reported the election of Andrew Carnegie, D. T. Watson and Mayor G. W. Guthrie to honorary membership.

—The First National Bank of Pittsburgh makes an excellent report in response to the comptroller's call for statements. There has been an increase of $1,211,500 in deposits, which now total $17,134,130.13, and an expansion of $1,312,557.81 in the item of cash and due from banks, as compared with the February call.

—Eugene S. Reilly has been elected second vice-president of the Washington National Bank of Pittsburg in place of J. B. Larkin.

—The Vandergrift (Pa.) Mutual Savings and Loan Association has issued notices to stockholders that on advice of the bank examiner the organization will go into voluntary liquidation. The stockholders will be paid off as fast as money can be realized.

—Actual work of tearing down the old building of the Dollar Savings Association of Newcastle, Pa., has begun and the new three-story structure will go up at once. Some time ago the Dollar Savings Association merged its interests with the Home Trust Co. of New Castle, under whose name the banks will continue. The new building will be absolutely fireproof, the lower

story of stone and the remaining stories of a light enameled brick, and will cost $15,000.

—Plans are being made by the officers of the newly organized Belmont Trust Co. of Philadelphia to open up for active business early in the fall, a director of the company has declared. The full amount of the capital stock, $125,000, has now been paid in. The building at 4826 Baltimore Avenue has been purchased and an extension is to be built which will give a frontage also on 49th Street. The building will be about 100 feet long when completed. The plans, which are now in the hands of architects, include a free passageway from one street to the other.

—Louis S. Amonson, organizer and president of the Peoples National Fire Insurance Company of Philadelphia, has been elected a director of the Central Trust and Savings Company of that city. Mr. Amonson is also a director of the Franklin Trust Co.

—At a spirited meeting of the board of directors of the Girard Avenue Title and Trust Company, May 11, the following officers were elected: President, Michael J. Ryan, to take the place of John C. Sullivan; first vice-president, Joseph M. Steele, in place of John H. Gay; second vice-president, Thomas Reilly. No one was elected to fill the vacancies left by the resignations of Harold E. Beatty, secretary and treasurer and E. E. Jones, paying teller, and there was also no election of trust officers.

—Directors of the Consolidation National Bank of Philadelphia have unanimously approved the offer of the Union National of $400,000 for all their assets, business and good will.

The stockholders of the Consolidation National will receive $40 a share for their stock, in addition to the regular May dividend. As the par value of the stock is $30 and the last sale was made at 35 1-4 the shareholders are receiving a considerable bonus for the business. This bank had, according to its statement published May 5, loans and discounts of $1,681,000 and deposits of $1,127,000. The reserve amounted to 25.2 per cent. of the liabilities.

Louis N. Spielberger, cashier, and F. C. Hansell, assistant cashier, of the smaller bank, will hold similar positions in the Union National. Albert E. Fletcher, the present cashier, will be made a vice-president.

—W. C. Fitzgerald has been elected treasurer of the Rittenhouse Trust Company of Philadelphia.

—The Tenth National Bank of Philadelphia, in addition to its regular semi-annual dividend of three per cent., has added $5,000 to surplus, making that fund $85,000 and leaving to undivided profits $20,266.15.

—The Philadelphia Trust, Safe Deposit & Insurance Co. has declared a semi-annual dividend of ten per cent., increasing the annual rate from eighteen to twenty per cent.

—Directors of the Hamilton Trust Co. of Philadelphia have re-elected R. Crosby Fairlamb president and Jacob Beiswauger and William Conway vice-presidents.

—Henry K. Harrison has been appointed assistant cashier of the Reading National, Reading, Pennsylvania.

—Three new members have been elected to the directorate of the Albany (N. Y.) Trust Company, John S. Hoy, F. F. Peabody and A. H. Renshaw. One of the vacancies has existed for some time, while of the other two, one was caused by the death of Andrew Hamilton and the other by the resignation of C. E. Argersinger.

—The Troy, N. Y., Co-operative Savings and Loan Association held its annual meeting May 11. F. O. Stiles, Henry Colvin, George Findlater, Fred S. Cote and W. H. Reed were elected directors for three years. Frank Bayer was chosen auditor for three years. Officers were elected by the directors as follows: President, Fred E. Wells; vice-president, William J. Colby; secretary, Joseph M. Coon; treasurer, Henry Colvin; attorney, H. Judd Ward. The second quarterly report, showing assets of $113,575.21, was approved. It was voted to join the New York State League of Building and Loan Associations.

—The new Emerson National Bank of Warrensburgh, N. Y., opened for business May 25 under the charter recently granted it by the Comptroller of the Currency. The new bank succeeds the private banking institution of Emerson and Co.

—Governor Fort of New Jersey on May 26, announced the following as members to suggest laws for the taxation of banks, trust companies and savings banks; John O. H. Pitney, of Essex; State Senator Bloomfield H. Mich, Cumberland; William H. Davis, Hudson, Albert N. Bradshaw, Ocean, and J. Hayes Lippencott, Atlantic.

—George T. Kenter has been made cashier, and I. A. Cadmus assistant cashier, of the Passaic National, Passaic, New Jersey.

—Since January 1, the United States Trust Company of Washington, D. C., has secured by personal solicitation over five thousand new depositors and their very excellent statement made to the Comptroller May 14, shows total deposits of $582,825.31.

Considering that the United States Trust Company is a comparatively new bank in a city where banking competition is keen, this may be considered a splendid showing.

R. H. Lynn, president of the American National Bank, has been added to the board of directors, making the total number thirty. On June 15, the bank will occupy new quarters at 14th and G streets, where the National City Bank is established.

MIDDLE STATES.

—The national banks of Chicago have made a new high record for deposits. This is shown in published reports giving their condition at the close of business May 14, in response to the Comptroller's call.

The new high record in the matter of deposits is $354,051,233, against the previous record of $345,051,824.

Illustrating the condition of state banks, the Illinois Trust Co. shows loans of $50,190,952 on May 12, against $55,765,270 on February 5; deposits of $79,124,110, against $78,102,181; cash of $27,293,674, against $19,860,237.

—Directors of the Farmers National Bank of Springfield, Ill., met on May 15 and declared their fiftieth semi-annual four per cent. dividend, after which they transferred $50,000 from the undivided profits account to the surplus fund making it the

same as the paid-up capital, which is $200,-000.

This is an interesting statement, showing as it does, that the bank is in excellent condition now and must have been so for some time past. Edward D. Keyes is president of the Farmers National; Samuel J. Stout and Geo. Pasfield, Jr., vice-presidents; Alfred O. Peterson, cashier; George E. Keys, assistant cashier.

—One of the best reports ever submitted by any bank of Illinois outside of the city of Chicago is that of the Commercial German National Bank of Peoria, dated May 14.

This bank, which is capitalized at $550,-000, had on that date nearly six million dollars in deposits and total resources of $7,527,094.37. In addition to this, the report shows resources of $1,582,342.58 in excess of actual liabilities.

—Extensive repairs and improvements, including a new stone front, are to be made by the People's Saving Bank of Evansville, Ind. Its building will be extended to the alley in the rear. A burglar proof vault will be installed, a new room fixed up for the directors, a new cashier's office arranged for, toilet rooms placed and other modern improvements made.

—The First National of Mt. Sterling, Ohio, paid to its stockholders May 5 a dividend of 140 per cent. on its capital of $50,000. The stockholders recently voted to increase the capital to $75,000, and this dividend was paid to the old stockholders prior to said increase in capital. The bank will now have a capital stock of $75,000 and a surplus of $15,000.

—The Security National of Minneapolis by recently raising its dividend rate to twelve per cent., attested the prosperity of the larger Northwest banks, this being the first time a Minneapolis bank ever paid at the rate of 12 per cent. The Security has a capital of $1,000,000 and surplus of more than $1,000,000.

That the prosperity was not enjoyed by the larger banks alone is now shown by the action of the South Side State Bank in raising its rate, also, to twelve per cent. This is one of the smaller banks, with $50,-000 capital and $50,000 surplus.

—James D. Shearer, receiver for the defunct Minnesota Title Insurance & Trust Company of Minneapolis, which suspended in March of 1907, has just paid a third dividend to creditors, aggregating $260,-945.03. The disposal of real estate since the panic ensued has naturally been slow, but the receiver hopes to convert most of the remaining property into cash during this season.

—The new Twin City State Bank, located in Merriam Park, a suburb of St. Paul, Minn., opened for business on May 4. It has a capital of $25,000 and succeeds to the territory formerly covered by the Drew private bank which failed. Arthur J. Reeves is president of the bank and Louis C. Simons is cashier.

—An elaborate new bank building has been built by the National Farmers' Bank of Owatonna, Minn., at a cost of $100,000.

The architecture of the building is unique, and it is the only building of its kind in the West. The ideas embodied in its construction were suggested to L. L. Bennett, president of the bank, by a number of buildings which he visited during the course of a recent trip to Europe. The interior will be finished in the Grecian and Mosaic style of architecture. Two large windows, said to be the largest ever shipped west of Chicago, will furnish light for the banking room. The front portion will be occupied by the National Farmers' bank, while the rear portion will be used by the Owatonna Daily Journal-Chronicle.

—Two of the leading banks of Marshalltown, Iowa, the First National and the City National, have consolidated, and will operate under the name of the First National, with a capital stock of $200,000 and deposits of $1,250,000.

—Directors and stockholders of the Union Savings Bank of Union, Iowa, are so well pleased with the volume of business which has come to the bank during the six months that it has been in operation that they have awarded the contract for the erection of two pressed brick, stone trimmed and tiled floor, buildings. One will be furnished and used by the bank. The other is to be rented as a store building.

—L. E. Stevens of Ottumwa, Iowa, was elected president of the group ten, Iowa Bankers Association, at the annual meeting held there May 14. Sixty bankers from Wapello, Monroe, Davis, Appanoose, Mashaska and Keokuk counties were present.

—Articles of incorporation of the Roland Savings Bank of Roland, Iowa, have been filed and the new institution will open for business as soon as the charter can be secured, with a capital of $15,000. Nels E. Waugh, a prominent capitalist of Roland will be president, and Olans O. Donhowe will be cashier.

—Group five of the Iowa Bankers Association held its annual meeting at Council Bluffs, Iowa, May 20, with an attendance of over one hundred. James Hunter of Minden, who was elected president of the association, was indorsed for treasurer of the state association. Other officers elected were: Secretary, G. W. Cole of Woodbine; executive committee, Charles Wood of Logan, E. E. Hart, August Beresheim and C. E. Price of Council Bluffs and L. F. Potter of Harlan. Henry Meyer, cashier of the Hamilton bank of Chicago, made a strong address upon the subject, "The Late Unpleasantness and Chicago Banks and Bankers." Other addresses were by Ackley Hubbard, vice-president of the First National Bank of Sioux City, and J. M. Kelley of Macedonia. A luncheon was the only social feature of the evening.

—Italian marble will be used as wainscoting and counter material in the offices of the Burnes. National Bank of St. Joseph, Mo., when the institution enters the building now occupied by Block Brothers. The contract has been let for the marble work, and the orders have been placed in Italy. The material is known as Pavanaza marble, and it is beautifully marked with lines of reddish brown and larger masses of black coloring. Contracts also have been awarded for constructing and installing the fireproof vaults and safes, and the contracts soon will be let for supplying the furniture. The officials hope to be in their new home by August 15. The upper stories will be remodeled later for offices.

—A merger has been completed between the Merchants' National Bank and the Citizens' National Bank of Cedar Rapids, Iowa, the new institution taking the name of the Merchants' National Bank. The consolidated institution has opened for business in the rooms of the old Citizens' bank. It is not an absorption of one bank by another, but a merger of the two banks, each of them taking one-half and the directorate is representative of the shareholders of both banks, who are alike interested in the new organization. The officers are as follows: President, Hon. John T. Hamilton; vice-presidents, P. C. Frick and Jas. E. Hamilton; cashier, J. S. Broeksmit; assistant cashier, E. H. Furrow.

—Extensive improvements to the amount of $5,000 have been made on the building used by the Citizens' National Bank of Belle Plains, Iowa. An old corner entrance has been closed up, a rear room taken into the bank's quarters, new vaults installed, and new furnishings supplied throughout, giving the place a decidedly metropolitan air of business stability and inviting comfort.

—Joseph M. Crowley, secretary of the Mutual Savings & Building Association of Milwaukee, Wis., has finally accepted the position of Deputy Comptroller of the city under August M. Gawin, but states that if he finds that the new duties are to interfere with his business interests, he will resign.

—Work was begun in April on the new $60,000 building which is to be the home of the First National Bank of Menominee, Mich. The structure when completed will be one of the finest bank buildings in the upper peninsula.

—E. T. Orear has retired from the presidency of the Gate City Bank of Kansas City, Mo. Addison M. Clark has bought his stock and succeeds him. The bank has $600,000 deposits.

—The Floyd County Bank of New Albany, Ky., intends to remove its old building as soon as practicable and in its place to erect a handsome modern style building for its future home.

The bank was organized less than a year ago and has met with great success in its business operations.

—Stockholders of the Savings Loan and Trust Company of Auburn, Ind., have voted to increase its capital stock from $25,000 to $50,000.

—Myron T. Herrick was unanimously elected president of the Society for Savings of Cleveland on April 30, to succeed the late Albert L. Withington. Mr. Herrick had formerly been at the head of the institution for more than ten years but resigned in 1905 during his term as Governor of Ohio. At that time the post of Chairman of the Board was especially created for him and he had since continued to occupy that office. This position, it is said, will probably be abolished at the annual meeting in June. It is also stated that some new executive positions will likely then be created for the purpose of relieving the president of much detail work. Mr. Herrick has resigned as chairman of the board of the Wheeling & Lake Erie Railway and will also, it is understood, sever his connection with some of the other organizations with which he is identified. He was at one time president of the American Bankers Association, a position which he was admirably qualified to fill.

—The Reserve Trust Company of Cleveland, Ohio, which closed its doors on May 14, had a capitalization of $300,000 and deposits of approximately $1,500,000.

In the deed of assignment, liabilities and assets are placed at $2,700,000 each. The reason given for the assignment is the financial stringency. It is said all depositors will be paid in full.

—E. N. Haverfield succeeds M. J. Brown as president of the Farmers' and Mechanics' National, Cadiz, Ohio; John S. Lacy has been appointed cashier in place of C. O. F. Brown and E. T. Ellison was made assistant cashier.

—The Citizens' Savings and Trust Company of Cleveland, Ohio, has completed negotiations for taking over the Commercial Savings and Trust Co. of that city. By this combination the Citizens' Savings and Trust Co., which has resources of $41,330,000, will acquire resources of $4,763,560 as listed in the last report of the Commercial.

—George H. Worthington has been elected president of the Union National Bank of Cleveland to replace the late Eben H. Bourne. Mr. Worthington has been a director and member of the executive committee of the bank for a number of years. He is president of the American Chicle Co., a director of the Guardian Savings & Trust Co. of Cleveland and of the Interurban Railway & Terminal Co. of Cincinnati.

—Special meetings of the boards of directors of the Third National and the Fifth National Banks of Cincinnati, Ohio, were held May 16, and the terms of the merger as arranged and accepted by committees of the two banks were approved and formally signed.

The new bank will be known as the Fifth-Third National, instead of the Third-Fifth National, as stated. The reason for this is that under the terms of the deal the Fifth National is to increase its stock to $1,300,000 from $1,000,000, the additional $300,000 to be a stock dividend to stockholders out of the surplus. When the application is made for the increase the Comptroller of Currency will be asked to change the name to the Fifth-Third Na-

tional and authorize a capital of $2,500,000. This arrangement means that the stockholders of the Fifth National will get $1,300,000 of the new stock and those of the Third National $1,200,000. When the merger is actually accomplished and all the details closed the Third National will be liquidated as a bank, thus marking the passing of one of the old and historic financial institutions of the city.

The two banks will contribute $1,000,000 surplus to the merged bank, the Third paying $600,000 and the Fifth $400,000. The dividend rate on the new bank stock will be ten per cent. per annum. The Fifth National paid ten per cent. with two per cent. additional, while the Third National was on a nine per cent. basis.

Some interesting promotions are noted in the list of officials of the new bank, as contained in the official announcement. Charles A. Hinsch, president of the Fifth, will be president of the new bank. Edward Selter, cashier of the Fifth, and W. A. Lemmon, vice-president of the Third, will be the two vice-presidents. Monte Goble, assistant cashier of the Fifth, becomes cashier, with C. T. Perin, cashier of the Third, first assistant. Assistant Cashier Charles H. Shields, of the Fifth, and Fred Mayer and Louis Van Ausdol, assistant cashiers at the Third, will also be taken care of in similar positions with the new bank. It will be seen from this that the working forces in the official family of the two banks, with the exception of Charles H. Kellogg, president of the Third, are all taken care of. Stewart Shilito, chairman of the board at the Third, and President Kellogg have both gracefully made way for the younger element, but continue as directors. At the Fifth National James M. Glenn retires as vice-president.

—Owing to an unfortunate printer's error in the last edition of "The Red Book," the name J. W. Cerveny is given as cashier of the Iowa State Savings Bank of Cedar Rapids, in place of J. W. Lesinger, the real cashier.

SOUTHERN STATES.

—In its statement of May 14, the Exchange National Bank of Tampa, Florida, gives its deposits at $844,923, a substantial increase over the statement made at the February call. This bank is a national and state depositary and has resources of well over a million.

—The Barnett National Bank of Jacksonville, Fla., began business on April 15 as successor to the National Bank of Jacksonville, whose charter expired by limitation on April 14. The Barnett National Bank has a capital of $750,000, and deposits of approximately $4,500,000. It is under the

management of Bion H. Barnett, president; W. D. Barnett and John G. Christopher, vice-presidents; George R. De Saussure, cashier; R. E. Wheeler and W. R. McQuaid, assistant cashiers.

—It has been decided to increase the capital stock of the American National of Macon, Ga., from $250,000 to $500,000 and the books are now open for those who have requested the issue of new stock.

R. J. Taylor is president of the bank; L. P. Hillyer is vice-president, and Oscar E. Dooly is cashier.

—On May 5, the Georgia Savings Bank and Trust Company of Atlanta opened in its new quarters in the Prudential building, which have been remodeled and made thoroughly suitable.

The officers of this institution, which has had a steady growth, are as follows: George M. Brown, president; Joseph A. McCord, vice-president; Joseph E. Boston, secretary and treasurer. Directors, David Woodward, Joseph A. McCord, Arnold Broyles, Fred B. Law, Elijah A. Brown, George M. Brown and John L. Tye.

Recently the bank decided to double its capital stock, and the $100,000 stock offered for sale has been over-subscribed. Since June 1 the Georgia Savings Bank and Trust Company, the oldest savings bank in Atlanta, has had a capital of $200,000 and a surplus of $75,000.

—The American National Bank of Atlanta, Ga., formerly known as the Maddox-Rucker Banking Company, has been officially authorized to increase its capital stock by $100,000, which now gives the bank a capital stock of $600,000.

At the same time the bank has increased its surplus by $60,000 so that it now has a total surplus and undivided profits of something over $410,000. The bank thus becomes a million dollar institution.

This is not only a notable and encouraging fact in the financial life of Atlanta and of Georgia, but it is also gratifying to all who have watched the growth of the American National and who have admired the strength and integrity of its management.

—Stockholders of the Citizens' Bank of Barnesville, Ga., met in session May 7, and elected the following officers: C. O. Summers, president; T. W. Cochran, vice-president; C. H. Humphrey, cashier; and White Jordan, assistant cashier.

It is stated that the past year has been the best in the history of the bank, as it was able to declare a dividend of eight per cent. and add a similar sum to the surplus fund.

—At a recent meeting of the Farmers and Merchants Bank of Douglasville, Ga., the affairs of the bank were found to be in a prosperous condition. A dividend of ten per cent. was declared and passed to the surplus fund. The institution earned fifteen per cent. which is considered a fine showing on the first years' business, amid panicky times.

The stockholders elected the following directors: W. C. Abercrombie, president; R. E. Edwards, cashier; J. Q. Enterkin, H. M. Upshaw, E. R. Stewart, H. J. Mills, Jesse Abercrombie, V. R. Smith and G. T. McLarty.

—The American National Bank of Wilmington, N. C., has begun business with a capital of $100,000. W. B. Cooper is president; Geo. O. Gaylord, vice-president, and Thos. E. Cooper, cashier.

—More than 400 delegates were present at the eighteenth annual convention of the Tennessee Bankers' Association held in Memphis, May 26. Numerous social features that were arranged will make the occasion one long to be remembered by the visiting bankers.

—Officials of the First National Bank of Memphis, Tenn., think they will have one of the most artistic and up-to-date bank buildings in the country, when their new structure is completed. About $60,000 will be spent for its construction and it is believed that the bank will be in its new home by December 1.

—A new bank has been organized in Alvin, Texas, known as the Citizens' State Bank. R. H. King is president; H. H. Houston cashier, and S. B. Brown assistant cashier.

—Since August 21, 1905, when the Texas state banking law went into effect, there have been incorporated in Texas no less than 335 banks. The first one to incorporate under this law was the Union Bank and Trust Company at Houston, and therefore has charter No. 1, and from points of deposits and profits leads all other banks in the state, either national, state or private, except one, although not yet three years old.

This splendid showing exemplifies what can be done when a bank is properly organized and well located. Houston is recognized as being the financial stronghold of Texas and has many points of advantage. The Union Bank and Trust Company has paid dividends each year and carried respective balances to the surplus fund, and has a savings department, which is at present paying at the rate of $40,000 a year. The policy provides not only for the large business firms that need proper accommodation, but for the small man who has only his savings for which he desires to have a safe place of deposit, and which will be earning something at the same time.

—At the regular monthly meeting of the Lumbermans National Bank of Houston, Texas, held May 12, the resignation of W. E. Richards as vice-president and director was accepted.

H. M. Garwood was elected to succeed him as vice-president and Gus Radetzki was elected to fill the vacancy of director.

—Fred J. Heyne has succeeded S. M. Asham, Jr., as cashier of the National City Bank, Houston.

Mr. Heyne has for a long time been paying teller of the T. W. House bank and is therefore a capable successor.

—A permit for the new bank building to be constructed by the Harris County Savings Bank of Houston, Texas, was issued by the city engineer recently.

The building will be of brick and two stories in height. It is to cost, according to the estimate furnished the engineer, the sum of $7600.

When completed it will be used exclusively by the banking institution, which is now using an old church building as temporary quarters.

—James T. Fryer succeeds F. M. Phelps as a vice-president of the First National, Ochiltree, Texas; E. A. Perry was also elected a vice-president.

—O. A. Tunnell has been elected a vice-president of the First National, Lindale, Texas, in place of F. W. Stewart, and J. W. Ogburn has also been made a vice-president of the bank.

WESTERN STATES.

—J. D. Mossman of Lebanon, Kansas, has been appointed bank examiner to succeed Frank Burrow, who has resigned to take a position at Kansas City.

—The Bank of Topeka, Kansas, has moved into its new quarters, completed at an approximate cost of $75,000. The old building of three stories was made over into the present structure of five stories and basement, with its frontage doubled.

—Another Kansas bank, the Wamego State Bank of Wamego, contemplates the erection of a new building in the near future, suitably furnished and arranged to accommodate a largely increased business.

—Representatives from about 150 banks comprising group IV. Nebraska Bankers' Association, met at Hastings on May 6, for their annual meeting. The sessions were presided over by Carson Hildreth, chairman of group IV. and president of the Franklin (Neb.) State Bank. The convention closed with the election and installation of officers for the ensuing year.

In the evening a banquet was tendered the group at Masonic Hall. J. P. A. Black, who is president of the Nebraska Bankers' Association, was toastmaster. The toasts and responses were as follows:

"The Humorous and Serious in Banking," L. P. Sornson, cashier of the Pioneer Bank, Eustis; "Mistakes," C. F. Gund, cashier of the First National, Blue Hill; "The State Association," Secretary William B. Hughes; "Looking Backward," E. R. Gurney, vice-president of the First National, Fremont.

—Work on a new building for the Colorado Savings and Trust Co. of La Junta, Colo., is progressing rapidly and it will soon be ready to occupy. It is to be a two-story brick structure with a basement. The

lower story will be used by the Trust Companies bank and their abstract office.

—The Bank of Fergus County, Lewiston, Montana, has just passed its twenty-first anniversary, carrying deposits of $1,203,003.65 and a surplus and reserve fund of $110,181.08.

Its record of past achievements is an enviable one, and it has been serving an increasing number of customers each year since beginning business.

This bank pays five per cent. interest on all savings accounts and has modern safety deposit boxes to rent to those who have valuables to protect.

—Improvements that will aggregate $30,000 will be made in the building purchased by the First National Bank of Butte, Montana, before it is ready for occupancy.

The bank has ordered its new vaults, which will be models of their kind, burglar and fire-proof and equipped with modern labor-saving devices.

—The German State Bank, of Cottonwood, Idaho, has just held its annual meeting and elected the following officers for the ensuing year: President, Herman H. Nuxoll; vice-president, B. J. Stubbers; cashier, M. M. Belknapp; directors, the above and J. B. Foresman, Joseph Aronson, and S. B. Nuxoll. The bank has recently moved into its new brick building and has one of the finest banking offices in the small towns of the State.

—H. B. Mendenhall has been appointed assistant cashier of the Rocky Ford National, Rocky Ford, Colorado.

The Texico National Bank of Texico, N. M., has bought a quarter block of land on Main Street and will immediately commence the construction of a fine bank building. The second story will be used for offices. B. D. Oldham is the cashier.

PACIFIC STATES.

Novel features will be introduced in the entertainment program for the members of the Washington State Bankers' Association, which will hold a three days' convention at North Yakima, beginning June 18. At Naches City, where the bankers will go by special train, an exhibition of bronco busting will be given by range riders from the valleys around this city. The banner event of the week will be an Indian war dance given by the Yakima bucks and races between the fleetest of the Indians' ponies.

It is expected that more than 200 bankers, representing every part of the State, will be in attendance. The committee has received assurances also that representatives of some of the larger financial institutions of Portland, Ore., Idaho and Montana will attend.

—The largest state bank in the Pacific Northwest was formed last month in Portland, Oregon, when the partnership bank of Ladd & Tilton became the Ladd & Tilton Bank. As is well known, the banking concern is one of the very oldest on the coast, having been founded by W. S. Ladd in 1859, and since his death in 1893 it has been conducted by his sons, pursuant to the terms of the elder Ladd's will.

The officers of the Ladd & Tilton Bank are: W. M. Ladd, vice-president; Edward Cookingham, vice-president; W. H. Dunckley, cashier; R. S. Howard, Jr., assistant cashier; J. W. Ladd, assistant cashier; Walter M. Cook, assistant cashier.

—Stockholders of the Mercantile Trust Company of San Francisco held their annual meeting recently and elected the following officers: Wm. G. Irwin, president; Henry T. Scott, vice-president; John D. McKee, vice-president and cashier; W. F. Berry assistant cashier and assistant secretary; O. Ellinghouse, assistant cashier and secretary; and A. H. Winn, trust officer.

The reports presented indicated that the corporation enjoyed a prosperous year as to earnings in spite of the severe financial

panic through which the banks of the whole country have recently passed.

Net earnings for the year, after payment of all expenses and taxes amounted to $347,261.25 and dividends No. 10 and 11 amounting to $160,000 were declared in September, 1907, and March, 1908, respectively.

—The Bank of San Jose, Cal., has had a massive four-faced clock placed in the tower of its new building. The clock was made by the E. Howard Clock Company of Boston, Mass., and the bell which is to strike the hours and half hours was furnished by the Mineely Company of West Troy, N. Y.

—J. A. Champion has succeeded G. B. Caster as vice-president of the Colton National, Colton, California.

CANADA.

—The Traders Bank of Canada, head office at Toronto, has decided to extend its operations to the city of Ottawa, and as the result will open a branch there in the building recently occupied by the Sovereign Bank.

—Frank W. Strathy, manager of the Union Bank of Canada in Montreal, has resigned his position and will join the head office of the Traders Bank in Toronto. He had previously been manager of the Toronto branch of the Union, and although Mr. Strathby's residence in Montreal has been comparatively limited, he secured the confidence of the financial and mercantile community, and his confreres of the banking fraternity have learned of his approaching departure with regret. H. S. Strathy is general manager of the Traders' Bank.

—The Montreal City and District Savings Bank has opened a branch at 1506 St. James Street, corner Vinet Street. This bank has now ten branches in addition to the main office.

—The half yearly statement of the Bank of Montreal shows total net profits of $933,560 against $982,858 in the corresponding period last year. After payment of dividends $903,530 was carried forward, compared with $422,689 at the end of the last half year.

Deposits bearing interest amount to $95,638,566, against $97,627,703 at the end of the last fiscal year and current loans $103,341,935, against $104,522,334.

—H. B. Walker, who has been associated with W. M. Gray, as manager of the New York branch of the Canadian bank of Commerce, has been appointed manager of the Montreal branch of the bank. His successor has not been chosen.

CITY TRUST CO. OF BOSTON.

Among the many excellent statements submitted by the banks last month, that of the City Trust Company of Boston, seems to be unusually good and worthy of publicity. The following statement shows their condition May 1, 1908.

Resources.

Time loans		$11,861,368.64
Investments		3,002,222.91
Demand loans with collateral	$5,442,667.82	
Cash in office and bank	7,063,879.24	
		12,506,547.06
		$27,370,138.61

Liabilities.

Capital stock	$1,500,000.00
Surplus fund	2,500,000.00
Earnings undivided	650,752.89
Deposits	22,719,385.72
	$27,370,138.61

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report.

Applications to Organize National Banks Approved.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

First National Bank, Bradford, Ohio; by Jacob A. Kline, et al.
National Bank, Ravena, N. Y.; by Geo. C. Van Tuyl, Jr., et al.
First National Bank, Center Point, Ind.; by C. O. Rentschler, et al.
First National Bank, McIntosh, S. D.; by Jos. J. Sherman, et al.
Citizens' National Bank, Knightstown, Ind.; by L. P. Newby, et al.
City National Bank, Wymore, Neb.; by Chas. G. Anderson, et al.
Fourth National Bank, Greenville, S. C.; by J. P. Rickman, et al.
Garfield National Bank, Garfield, Wash.; by G. W. Nye, et al.
Lockney National Bank, Lockney, Tex.; by Jas. P. Posey, et al.
Farmers' First National Bank, Minooka, Ill.; by Henry P. Dwyer, et al.
Commercial National Bank, Macon, Ga.; by E. N. Lewis, et al.
Merchants' National Bank, Jersey City, N. J.; by O. H. Albanesius, et al.
Farmers' National Bank, New Castle, Ind.; by Chas. F. Payne, et al.
National City Bank, Birmingham, Ala.; by Ben T. Head, et al.
National Bank of Commerce, El Paso, Tex.; by W. L. Tooley, et al.
Telford National Bank, Telford, Pa.; by John M. Kuhn, et al.
First National Bank, Roundup, Mont.; by R. M. Calkins, et al.
Farmers and Merchants' National Bank, Logan, Ohio; by E. E. Stiverson, et al.
Patoka National Bank, Patoka, Ind.; by H. A. Milburn, et al.
First National Bank, Hastings, Pa.; by A. W. Buck, et al.
Burlingame National Bank, Burlingame, Kans.; by E. J. Williams, et al.
First National Bank, Cayuga, Ind.; by Oscar O. Hamilton, et al.
First National Bank, Rochester, Mich.; by John C. Day, et al.

Applications for Conversion to National Banks Approved.

Seaboard Bank, San Francisco, Cal.; into Seaboard National Bank.
Farmers' Bank, Star, Idaho; into First National Bank.
Bank of Weiser, Weiser, Idaho; into United States National Bank.
First State Bank, Shirley, Ind.; into First National Bank.
Bank of Winslow, Winslow, Ind.; into First National Bank.
State Bank, Edmond, Kans.; into First National Bank.
La Rue County Deposit Bank, Hodgenville, Ky.; into La Rue National Bank.
Stockmen's Bank, Rushville, Neb.; into Stockmen's National Bank.
Savings Bank, Taiban, N. M.; into First National Bank.
Bank of Milton, Milton, Oreg.; into First National Bank.
Bank of Chase City, Chase City, Va.; into First National Bank.
First State Bank, Chase City, Va.; into American National Bank.

National Banks Organized.

9108—Hartford National Bank, White River Junction, Vt.; capital, $25,000; Pres., Frank Collins; Vice-Pres., Olin W. Daley; Cashier, Geo. H. Watson.
9109—Manufacturers' National Bank, Ilion, N. Y.; capital, $50,000; Pres., Samuel T.

Russell; Vice-Pres's., Jno. A. Giblin and A. W. McGowan; Cashier, Frank C. Thurwood; Asst. Cashier, A. W. McGowan.

9110—Grange National Bank, Spartanburg, Pa.; capital, $25,000; Pres., W. E. Rice; Vice-Pres's., Leon Morris and R. H. Patchen; Cashier, Jno. M. Webb.

9111—First National Bank, Spanish Fork, Utah; capital, $25,000; Pres., Geo. D. Snell; Vice-Pres., John Jones; Cashier, F. M. Snell.

9112—City National Bank, Martin, Tenn.; capital, $50,000; Pres., T. M. Ryan; Vice-Pres., W. B. Gibbs; Cashier, Geo. P. Hurt; Asst. Cashier, Joe C. Oliver.

9113—Coplay National Bank, Coplay, Pa.; capital, $25,000; Pres., H. Y. Horn; Vice-Pres's., Horace Boyd, Hy. T. Raisback and Morris Caplan; Cashier, W. F. Levan.

9114—Bendersville National Bank, Bendersville, Pa.; capital, $25,000; Pres., J. G. Stover; Vice-Pres., S. B. Gochnaur; Cashier, H. J. Taylor.

9115—First National Bank, Kirklan, Ind.; capital, $28,000; Pres., C. B. McClamroch; Vice-Pres., A. C. Littleton; Cashier, E. J. Goar; Asst. Cashier, V. Irwin. Conversion of State Bank.

9116—Farmers' National Bank, Kingsley, Ia.; capital, $25,000; Pres., Mason J. Foft; Vice-Pres., Allen Harrod; Cashier, R. B. Lyle.

9117—Rocky Ford National Bank, Rocky Ford, Colo.; capital, $50,000; Pres., F. Y. Hauck; Vice-Pres., G. W. Lewis; Cashier, W. B. Mandeville.

9118—National Stock Yards National Bank, National Stock Yards, Ill.; capital, $350,-000; Pres., S. Chesney; Vice-Pres., C. T. Jones; Cashier, Wirt Wright.

9119—First National Bank, Beaver City, Utah; capital, $25,000; Pres., C. D. White; Vice-Pres., Fred T. Gunn; Cashier, C. E. Murdock.

9120—Farmers' National Bank, Windsor, Colo.; capital, $25,000; Pres., R. S. Dickey; Vice-Pres., James M. Allam; Cashier, J. N. Akey.

9121—Union National Bank, Pasadena, Cal.; capital, $100,000; Pres., H. I. Stuart; Vice-Pres's., C. W. Smith and B. F. Ball; Cashier, E. H. Groenendyke; Asst. Cashier, H. L. Monat.

9122—North Vernon National Bank, North Vernon, Ind.; capital $50,000; Pres., J. C. Cope; Vice-Pres., John Fable; Cashier, W. S. Campbell. Conversion of North Vernon State Bank.

9123—Commercial National Bank, Greensboro, N. C.; capital, $200,000; Pres., F. B. Ricks; Vice-Pres's., E. J. Stafford and C. M. Hickerson; Cashier, F. C. Boyles; Asst. Cashier, I. F. Peebles.

9124—American National Bank, Wilmington, N. C.; capital, $100,000; Pres., W. B. Cooper; Vice-Pres., Geo. O. Gaylord; Cashier, Thos. E. Cooper.

9125—First National Bank, Diagonal, Ia.; capital, $25,000; Pres., E. T. Dufur; Vice-Pres., Asa Bailey; Cashier, D. V. Ferris; Asst. Cashier, Jessie N. Talley.

9126—First National Bank, Lockney, Tex.; capital, $25,000; Pres., J. S. Baxter; Vice-Pres., J. D. Griffeth; Cashier, Ghent Carpenter.

9127—First National Bank, Lebanon, Oreg.; capital, $50,000; Pres., P. M. Scroggin; Vice-Pres., S. P. Bach; Cashier, Seymour Washburn.

9128—First National Bank, Castle Shannon, Pa.; capital, $25,000; Pres., Oliver R. Lake; Vice-Pres., A. H. Anderson; Cashier, J. P. Kuhnman; Asst. Cashier, F. W. Erbe.

9129—First National Bank, Wapato, Wash.; capital, $25,000; Pres., Alex. E. McCredy; Vice-Pres., G. S. Rankin; Cashier, Harry Jones. Conversion of Wapato State Bank.

9130—First National Bank, Factoryville, Pa.; capital, $30,000; Pres., H. Loren Fassett; Vice-Pres., James H. Lewis; Cashier, M. C. James.

9131—First National Bank, Deer River, Minn.; capital, $25,000; Pres., F. P. Sheldon; Cashier, S. J. Moran; Asst. Cashier, Mattie E. Tellin.

9132—First National Bank, Felton, Dela.; capital, $25,000; Pres., F. L. Hardesty; Vice-Pres., John Heyd; Cashier, J. H. Whitaker.

9133—First National Bank, Walhalla, N. D.; capital, $25,000; Pres., C. W. Andrews; Vice-Pres., W. F. Winter; Cashier, J. G. Webster.

9134—Wallace National Bank, Wallace, Ida.; capital, $50,000; Pres., H. F. Samuels; Vice-Pres., T. N. Barnard; Cashier, F. C. Norbeck; Asst. Cashier, L. R. Adams. Conversion of Wallace Banking and Trust Co.

9135—Emerson National Bank, Warrensburgh, N. Y.; capital, $50,000; Pres., Louis W. Emerson; Vice-Pres., James A. Emerson; Cashier, James A. Emerson.

9136—First National Bank, Highland, Kans.; capital, $25,000; Pres., R. H. Martin; Vice-Pres's., Thos. G. Hutt and Geo. S. Hovey; Cashier, G. J. Ratcliffe; Asst. Cashier, A. M. Minier.

NEW STATE BANKS, BANKERS, ETC.

ALABAMA.

Roanoke—Merchants and Farmers' Bank; capital, $60,000; Pres., R. W. Griffin; Vice-Pres., M. Schuessler; Cashier, T. B. Wood.

CALIFORNIA.

Los Angeles—Park Bank; succeeded Dollar Savings Bank and Trust Co., and Central Trust; capital, $200,000; Pres., Perry W. Weidner; Vice-Pres's., James C. Kays, W. C. Durgin and A. W. Ryan; Cashier, Wilson G. Tanner; Asst. Cashiers, J. W. Kays, H. L. Holland and H. E. Allen.

Oakland—First Trust and Savings Bank; capital, $150,000; Pres., P. E. Bowles; Cashier, O. D. Jacoby.

COLORADO.

Estes Park—Estes Park Bank; capital, $12,-000; Pres., F. O. Stanley; Vice-Pres's., J. D. Stead and C. H. Bond; Cashier, S. W. Sherman.

IDAHO.

Reubens—Bank of Reubens; capital, $10,000; Cashier, W. O. Persons.

ILLINOIS.

Waterman—Waterman State Bank; succeeded Waterman; capital, $30,000; Pres., H. Roberts; Vice-Pres., David H. Hipple; Cashier, H. P. Bernard.

INDIANA.

Cumberland — Cumberland Bank; capital, $15,000; Pres., Edwin C. Huntington; Vice-Pres., William Gale; Cashier, W. A. Morris.

Indianapolis—Fountain Square State Bank; capital, $25,000; Pres., Geo. G. Robertson; Cashier, Henry E. White.

Plainville—Farmers' Bank; capital, $10,000; Pres., Nathan E. Killion; Vice-Pres., Chas. A. Banta; Cashier, Ernest E. Killion; Asst. Cashier, R. E. Killion.

IOWA.

Ackley—Ackley Savings Bank; capital, $10,000; Pres., J. C. Lusch; Vice-Pres., S. S. Trainer; Cashier, S. Y. Eggert.

Decatur—Decatur State Bank; capital, $10,000; Pres., J. H. Hill; Vice-Pres., F. J. Euritt; Cashier, James C. Cozad.

Maxwell—People's State Bank; capital, $25,000; Pres., S. E. Cooper; Vice-Pres., S. H. Uhl; Cashier, A. J. Fawcett.

Pierson—Farmers' Savings Bank; capital, $25,000; Pres., J. F. Brooks; Vice-Pres., Joe Bierman; Cashier, F. F. Nicolls.

MICHIGAN.

Detroit—Title and Trust Co.; capital, $200,000; Pres., F. E. Bushman; Vice-Pres., J. H. Meyering; Sec'y, J. R. Meyering.

Centerville—Wolf Bros. State Bank; succeeded Wolf Bros. Bank; capital, $30,000; Pres., S. J. Wolf; Vice-Pres., H. P. Stewart; Cashier, C. D. Mosher.

MINNESOTA.

Alvarado—Farmers' State Bank; succeeded Bank of Alvarado; capital, $10,000; Pres., O. H. Taralseth; Vice-Pres., H. L. Melgaard; Cashier, I. N. Lodeon.

Paynesville—Security State Bank; succeeded Boylan Carlock Co.; capital, $12,000; Pres., Anton Schmitt; Vice-Pres., E. A. Bugbie; Cashier, W. E. Schultz; Asst. Cashier, A. E. Schmitt.

Peterson—Peterson State Bank; capital, $10,000; Pres., C. M. Anderson; Vice-Pres., N. J. Amble; Cashier, C. E. Retrum.

Pierz—German State Bank; succeeded Bank of Pierz; capital, $10,000; Pres., A. R. Davidson; Vice-Pres., A. E. Macho; Cashier, A. P. Stoll.

Waterville—Security State Bank; capital, $20,000; Pres., C. W. Glotfelter; Vice-Pres., H. G. Schulz; Cashier, F. G. Hinze.

MISSISSIPPI.

De Kalb—Bank of De Kalb; capital, $10,000; Pres., Sam O. Bell; Vice-Pres., S. D. Stemio.

MISSOURI.

Warrensburg—Johnson County Trust Co.; capital, $50,000; Pres., R. L. Campbell; Vice-Pres's., J. A. Zimmerman and J. H. Lampkin; Sec'y, G. G. Gilkeson; Treas., G. W. Lemmon.

NEBRASKA.

Rushville—Union Bank; succeeded Citizens' Bank; capital, $15,000; Pres., Lewis Oberwetter; Vice-Pres., W. F. Strotheide; Cashier, R. F. Kitterman; Asst. Cashiers, R. W. Strotheide and J. E. Edmunds.

OHIO.

Lisbon—People's State Bank Co.; capital, $25,000; Pres., W. H. Hepburn; Vice-Pres., J. M. Costello; Cashier, W. L. Armstrong; Asst. Cashier, F. J. Moore.

OKLAHOMA.

Council Hill—Farmers' State Bank; capital, $10,000; Pres., Willard John; Vice-Pres., Thos. Duncan; Cashier, H. E. Bell.
Gotebo—Oklahoma State Bank; succeeded Bank of Harrison; capital, $10,000; Pres., D. T. Dunlap; Cashier, F. D. Lucas.
Medford—Medford Security Bank; capital, $10,000; Pres., E. F. Quigley; Vice-Pres., T. C. Jones; Cashier, J. Chirem; Asst. Cashier, J. Chirem.
Oklahoma City—First State Bank; capital, $61,000; Pres., C. F. Elerick; Vice-Pres's., J. M. Postelle and E. E. Brown; Cashier, C. M. Buckles; Asst. Cashier, C. M. Hammel; Sec'y, Fred E. Sutton.
Ramona—Citizens' State Bank; capital, $10,000; Pres., E. A. Ross; Vice-Pres., C. E. Menzie; Cashier, J. S. Cameron, Jr.
Watonga—State Guaranty Bank; capital, $15,000; Pres., G. A. Walters; Vice-Pres., O. J. Fleming; Cashier, M. L. Thompson.

OREGON.

Sheridan—Farmers' State Bank; capital, $25,000; Pres., A. M. Fanning; Cashier, B. B. Morton.

SOUTH DAKOTA.

Meadow—Meadow State Bank; capital, $5,000; Pres., W. E. Briggs; Vice-Pres., E. E. Lemmon; Cashier, F. A. Finch; Asst. Cashier, C. A. Bennett.
Pennington—Underwood State Bank; capital, $6,000; Pres., Jacob H. Serr; Vice-Pres., Thos. J. Libertin; Cashier, B. N. Oliver; Asst. Cashier, G. A. Bailey.

TEXAS.

Elkhart—American Exchange Bank; Pres., E. F. Brown; Vice-Pres., W. T. Brown; Cashier, W. T. Alston.

UTAH.

Tooele City—Tooele City State Bank; capital, $15,000; Pres., Peter Clegg; Vice-Pres., Chas. E. Green; Cashier, Edwin M. Orme.

VIRGINIA.

Madison—State Bank; succeeded Virginia Safe Deposit and Trust Corporation; capital, $11,000; Pres. F. P. Smith; Vice-Pres., J. C. Crigler; Cashier, G. R. Thrift.
Middletown—Middletown State Bank; capital, $10,000; Pres., Geo. C. Wallace; Vice-Pres., E. O. Larrick; Cashier, W. E. Coffman.
Norfolk—Norfolk Dime Savings Bank; capital, $25,000; Pres., C. A. Everhart; Vice-Pres., Thos. J. Powell; Cashier, Thos. J. Powell.

WISCONSIN.

Neshkora—Farmers' Exchange Bank; capital, $10,000; Pres., Chas. T. Dahlke; Vice-Pres., J. C. Morrisey; Cashier, C. S. Orthman.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

Enterprise—First National Bank; J. E. Henderson, Pres., in place of W. E. Law; L. A. Boyd, Vice-Pres., in place of J. E. Henderson.
Sheffield—Sheffield National Bank; W. S. Hatch, Asst. Cashier.

ARIZONA.

Benson—Bank of Benson; consolidated with Citizens' Bank under former title; R. R. Rubottom, Asst. Cashier.

ARKANSAS.

Batesville—National Bank; W. J. Erwin, Vice-Pres., in place of Allen A. Maxfield; no Vice-Pres. in place of T. S. Maxfield; Jno. Q. Wolf, Cashier, in place of Paxton Thomas; Paxton Thomas and T. Sydney Maxfield, Asst. Cashiers.
Bentonville—First National Bank; C. H. Kelly, Asst. Cashier.

CALIFORNIA.

Colton—Colton National Bank; J. A. Champion, Vice-Pres., in place of G. B. Caster.
Glendora—First National Bank; K. E. Lawrence, Asst. Cashier.
Long Beach—City National Bank; Ellis Hakes, Pres., in place of B. W. Scheurer; B. W. Scheurer, Vice-Pres., in place of W. R. Price; Harry D. Moore, Asst. Cashier.
Rialto—First National Bank; E. M. Lash, Cashier, in place of W. P. Martin.
San Francisco—Crocker National Bank; G. W. Ebner and W. R. Berry, Asst. Cashiers.

COLORADO.

Denver—Interstate Trust and Savings Bank; title changed to Interstate Savings Bank; F. N. Briggs.
Rocky Ford—First National Bank; J. R. Cunningham, Pres., in place of T. H. Stratton; G. H. Harris, Cashier, in place of J. R. Cunningham; no Asst. Cashier in place of G. H. Harris.—Rocky Ford National Bank; H. B. Mendenhall, Asst. Cashier.
Sterling—First National Bank; no Asst. Cashier in place of F. G. Salisbury.

CONNECTICUT.

New Canaan—First National Bank; G. F. Lockwood, Pres., in place of Edwin Hoyt; Thomas W. Hall, Vice-Pres., in place of G. F. Lockwood.

GEORGIA.

Albany—First National Bank; title changed to Citizens' First National Bank.
Graymont—Bank of Graymont; Lester G. Roberts, Cashier, in place of Fair Durden.
Jackson—First National Bank; Jas. F. Carmichael, Pres., in place of J. R. Carmichael.
Rockmart—Citizens' National Bank; R. W. Everett, Pres., in place of H. C. Allgood.
Sparta—First National Bank; Robt. Holmes, Vice-Pres.

IDAHO.

American Falls—First National Bank; N. J. Davis, Asst. Cashier.

ILLINOIS.

Belleville—Belleville Savings Bank; Henry A. Kircher, Pres., deceased.
Cairo—Cairo National Bank; E. E. Cox, Cashier, in place of H. S. Candee; Q. E. Beckwith, Asst. Cashier.
Carterville—First National Bank; H. V. Ferrell, Pres., in place of A. K. Elles.
Elgin—Union National Bank; John A. Russell, Pres., in place of R. N. Botsford.
McLeansboro—First National Bank; Dan P. Campbell, Asst. Cashier, in place of R. R. Benson.
Polo—Exchange National Bank; J. L. Moore, Pres., in place of John Bingaman; S. Beard, Vice-Pres., in place of J. L. Moore.
Roseville—First National Bank; S. W. Taliaferro, Cashier, in place of C. J. Boyd; no Asst. Cashier in place of S. W. Taliaferro.

INDIANA.

Brownsburg—Brownsburg Bank; changed title to Brownsburg State Bank; capital increased to $23,000; Wm. F. Evans, Pres.; Joshua Thorp, Vice-Pres.; G. Eaton, Asst. Cashier.
Evansville—Old State National Bank; Henry Reis, Pres., in place of R. K. Dunkerson; no Vice-Pres. in place of Henry Reis; H. H. Ogden, Cashier, in place of Henry Reis.
Kentland—Discount and Deposit Bank; title changed to Discount and Deposit State Bank; capital, $50,000; J. V. Dodson, Vice-Pres.; S. C. Jones, Cashier.
North Vernon—First National Bank; J. D. Cone, Pres., in place of V. C. Meloy.
Remington—First National Bank; J. P. Hammond, Vice-Pres.
Rensselaer—First National Bank; John M. Wasson, Pres., in place of Addison Parkison, deceased; no Vice-Pres. in place of John M. Wasson.
Richmond—Dickinson Trust Co.; absorbed Richmond Trust Co.; capital increased to $200,000.
Swayzee—First National Bank; Darius Nesbitt, Pres., in place of A. E. Curless; Geo. W. Smith, Vice-Pres., in place of Darius Nesbitt.

IOWA.

Bridgewater—Bridgewater Savings Bank; P. P. Sullivan, Pres.

Columbus Junction—Farmers and Merchants State Bank; capital reduced to $25,000; Thos. Newell, Pres.; M. D. Haupt, Vice-Pres.
Dumont—Bank of Dumont; title changed to State Bank; capital, $30,000; E. C. Slaid, Pres.; A. E. Hartman, Vice-Pres.; Jno. Barlow, Cashier; J. A. Barlow, Asst. Cashier.
Marshalltown—First National Bank; C. C. St. Clair, Cashier, in place of H. Gerhart; H. Gerhart and H. S. Lawrence, Asst. Cashiers.
Prescott—First National Bank; F. M. Widner, Pres., in place of J. C. Allen; B. Newcomb, Vice-Pres., in place of Crist Johnson; W. G. Perkins, Cashier, in place of W. A. Addison.
Stockport—Stockport Savings and Farmers' Savings consolidated under former title; capital, $25,000; S. N. Stonebraker, Vice-Pres.; F. F. Johnston, Asst. Cashier.

Works on Finance

By MONTGOMERY ROLLINS

Laws Regulating the Investment of Bank Funds

Tells you what securities are legal investments for savings banks, trust companies, and banks in general of the different States. Has a side index and detachable leaves, that new laws may be forwarded from time to time to the subscribers.

All that part relating to

Railroad Securities is printed in green ink; Municipal Securities in red; Street Railway issues in brown, etc.

making it necessary to read only that portion of the law which bears directly upon the subject sought.

Bound in flexible leather cover, and adapted to pocket use.

Price, $3.00

New Tables of Bond Values

Adapted for Present Low Prices and High Rates.

FIFTEENTH EDITION

Showing the net return from bonds, stocks and other investments having a fixed maturity and paying interest semi-annually.

Also tables showing the net return from stocks and other irredeemable securities, and tables for computing the accrued interest on bonds.

Price, $3.00

Government Bond Values Tables

Based on Quarterly Interest Payments

Price, $3.00

Tables of Bond Values Based Upon Annual Interest Payments

Price, $5.00

Supplemental Tables of Bond Values

For securities having from six months to five years to run, selling at a price to net the investor from 7.05 to 10%.

Price, $1.00

Discounted Bonds

These tables enable you to ascertain the price of a security maturing in six months or less, and carrying but one interest payment. Covers periods by days from one day to six months.

Price, $2.00

Fourth Edition of The Montgomery Cipher Code

The only Code especially adapted to the banking, bond and stock business, and of convenient size for pocket use. Every subject is arranged in three divisions—Interrogatives, Negatives or Affirmatives. The Code has a side index, and the subject as well as the code words begins with the same letter, so that the index is adapted either to making up or translating a message. Thousands in use.

Price, $2.50

Address The Bankers Publishing Company

90 William Street, New York

KANSAS.

Englewood—First National Bank; J. Marsden, Asst. Cashier.
Eureka—Home National Bank; Geo. A. Bower, Pres., in place of G. S. Sallyards.
Fort Scott—Citizens' National Bank; F. A. Baldwin, Asst. Cashier.
Goodland—First National Bank; C. M. Millisack, Pres., in place of E. E. Ames; Fred Hunt, Vice-Pres., in place of C. M. Sawyer.
Hillsboro—First National Bank; H. J. Pankratz, Asst. Cashier.
Neodesha—Neodesha National Bank; C. A. Walker and J. G. Kimball, Asst. Cashiers.
Ness City—Citizens' National Bank; no Cashier in place of John Engel, deceased; O. R. Abel, Asst. Cashier.
Osborne—Farmers' National Bank; B. J. Roy, Cashier, in place of W. W. Parsons; E. R. Hahn, Asst. Cashier, in place of B. J. Roy; no Second Asst. Cashier in place of E. R. Hahn.
Pleasanton—First National Bank; C. G. Doble, Cashier, in place of J. R. Holmes; no Asst. Cashier in place of C. G. Doble.
Topeka—Central National Bank; J. R. Burrow, Pres., in place of P. I. Bonebrake; P. I. Bonebrake, Vice-Pres., in place of P. J. Clevenger; S. S. Ott, Vice-Pres.; E. E. Ames, Cashier, in place of S. S. Ott.

KENTUCKY.

Bardwell—First National Bank; E. P. Fisher, Asst. Cashier.
Morganfield—Morganfield National Bank; W. B. Sparks, Cashier, in place of C. H. Ellis; T. B. Anderson, Asst. Cashier, in place of W. B. Sparks.
Mount Sterling—Mount Sterling National Bank; C. B. Patterson, Asst. Cashier, in place of G. R. Armstrong.

MAINE.

Bangor—Veazie National Bank merged with Merrill Trust Co., under latter title.

MARYLAND.

Baltimore—Baltimore Trust and Guarantee Co.; Thos. W. Bowles, Pres., in place of Bernard N. Baker, resigned.—Third National Bank; A. B. Crouch, Pres., in place of R. M. Spedden; Wm. R. Hammond, Vice-Pres.; T. R. Thomas, Cashier, in place of A. B. Crouch.
Denton—People's National Bank; Bennett Todd, Cashier, in place of O. W. Downes.
Elkton—National Bank; Frank R. Scott, Vice-Pres., in place of E. S. France.
Lonaconing—Lonaconing Savings Bank; James M. Sloan, Pres., in place of David Sloan, deceased.
Pocomoke City—Citizens' National Bank; W. U. Polk, Vice-Pres., in place of E. J. Tull.

MASSACHUSETTS.

Boston—First National Bank; D. D. Muir, Vice-Pres.; no Asst. Cashier in place of C. A. Sawin.—Merchants' National Bank; H. Stockton, Pres., in place of Franklin Haven, deceased.
Pittsfield—Berkshire County Savings Bank; A. H. Rice, Pres., in place of Joseph Tucker.
Spencer—Spencer National Bank; M. A. Young, Pres., in place of F. A. Drury; Nathan E. Craig, Vice-Pres.
Worcester—Merchants' National Bank; F. A. Drury, Pres., in place of D. D. Muir.

MICHIGAN.

Dexter—Dexter Savings Bank; H. W. Newkirk, Vice-Pres., in place of W. T. Bradford.
Durand—First National Bank; no Cashier in place of J. D. Leland.
Grand Rapids—Grand Rapids National Bank; A. T. Slaght, Asst. Cashier.—State Bank of Michigan and Kent County Savings Bank; consolidated under title of Kent State Bank; capital, $500,000.
Homer—Calhoun State Bank; consolidated with Homer Banking Co., under former title.

MINNESOTA.

Arco—Bank of Arco; title changed to First State Bank; capital, $10,000.
Badger—Scandinavian American Bank; title changed to Scandinavian American State Bank; capital, $10,000; W. Anderson, Vice-Pres.

Elk River—First National Bank; Russel A. Calef, Cashier, in place of G. C. Hill; no Asst. Cashier in place of Chas. Houlton.
Foley—First National Bank; J. E. Doheny, Vice-Pres., in place of Chas. Keith; B. H. Mushel, Asst. Cashier, in place of M. M. Stroeter.
Johnson—Bank of Johnson; title changed to Johnson State Bank; capital, $10,000; J. A. McRae, Pres.; R. J. McRae, Vice-Pres.
North Redwood — Security Bank; title changed to Security State Bank; capital, $10,000; Joseph Fischer, Vice-Pres.; W. B. Clement, Asst. Cashier.
Pipestone—First National Bank; no Vice-Pres. in place of L. R. Ober.—Pipestone County Bank; title changed to Pipestone State Bank; F. L. Janes, Vice-Pres.
Sacred Heart—Citizens' Bank; title changed to Citizens' State Bank; capital, $15,000; Carl Anderson, Pres.; P. C. Brevig, Vice-Pres.
Steen—Bank of Steen; title changed to State Bank.
St. Joseph—First State Bank; Nicholas Muller, Pres.; Martin Loso, Vice-Pres.

MISSISSIPPI.

Seminary—Bank of Seminary; J. M. Graham, Pres., in place of F. W. Foote.

MISSOURI.

Campbell—Rirst National Bank; G. H. Hall, Asst. Cashier.
Green City—City National Bank; T. S. Hardinger, Cashier, in place of H. B. Hill.
Kansas City—Central National Bank; no Vice-Pres. in place of H. M. Evans.—Gate City Bank; A. M. Clark, Pres., in place of E. T. Orear.
Lockwood—Farmers' State Bank; C. S. Ring, Pres.; W. S. Evans, Vice-Pres.; W. S. Keran, Cashier; W. E. Evans, Asst. Cashier.

MONTANA.

Chinook—First National Bank; F. M. Bucks, Asst. Cashier.
Kalispell—First National Bank; H. C. Keith, Vice-Pres., in place of F. J. Lebert; H. W. Alvard, Cashier, in place of R. E. Webster.

NEBRASKA.

Crawford—First National Bank; F. McGiverin, Vice-Pres., in place of T. M. Huntington.
Humboldt—National Bank; H. E. Boyd, Asst. Cashier.
Madison—Farmers' National Bank; Cylde Rynearson, Asst. Cashier.
Pawnee City—H L Brinkerhoff, Pres., in place of W. B. Bull; Vernon Bascom, Cashier, in place of H. H. Bull; no Asst. Cashier in place of Vernon Bascom.
Randolph—Security National Bank; C. H. Randall, Vice-Pres., in place of A. F. Huwaldt; M. P. Buol, Cashier, in place of C. H. Randall; no Asst. Cashier in place or F. M. Buol.
Spencer—First National Bank; H. C. Batty, Asst. Cashier, in place of D. E. Coffey.
Trenton—First National Bank; J. R. Greenhalgh, Cashier, in place of L. R. Coufal.
Walthill—First National Bank; John D. Haskell, Pres., in place of C. C. Maryott; Chas. P. Mathewson, Vice-Pres., in place of John D. Haskell; C. M. Mathewson,

Cashier, in place of Chas. P. Mathewson; Ray L. Grosvenor, Asst. Cashier, in place of C. M. Mathewson.
Wilcox—First National Bank; W. A. Petteys, Vice-Pres., in place of J. T. Petteys.
Wynot—First National Bank; F. A. Kindwall, Cashier, in place of E. A. Miller; Lloyd Lynde, Asst. Cashier.

NEW HAMPSHIRE.

Keene—Cheshire National Bank; F. A. Faulkner, Vice-Pres.

NEW JERSEY.

Keyport—People's National Bank; John G. Schanck, Vice-Pres., in place of Wm. Morrell.
Passaic—Passaic National Bank; Geo. T. Kenter, Cashier, in place of I. A. Cadmus; J. A. Cadmus, Asst. Cashier, in place of Geo. T. Kenter.
Rockaway—First National Bank; E. H. Todd, Second Vice-Pres., in place of S. M. George.

NEW MEXICO.

Tucumcari—First National Bank; C. G. Mardorf, Asst. Cashier, in place of Elmer Edwards.

NEW YORK.

Ballston Spa—Balston Spa National Bank; Theodore S. Haight, Vice-Pres., in place of W. G. Ball.
Dunkirk—Merchants' National Bank; H. H. Droege, Vice-Pres. and Cashier.
Falconer—First National Bank; Ransom B. Lydell, Pres., in place of E. B. Crissey, deceased.
New York City—Bank of America; W. M. Bennett, Vice-Pres. and Cashier.—Hallgarten & Co.; Chas. L. Hallgarten, deceased.—Hungarian-American Bank; E. S. A. De Lima, Pres., in place of W. H. Bryan, retired.—United States Mortgage and Trust Co.; Arthur Turnbull, Pres., in place of George M. Cumming, resigned.—Chase National Bank; Samuel H. Miller, Cashier, in place of E. J. Stalker, resigned; Henry M. Conkey and Alfred C. Andrews, Asst. Cashiers.
Stapleton — Richmond Borough National Bank; Alfred Elliott, Acting Cashier, in place of A. H. Watson.
Syracuse—Merchants' National Bank; Wm. G. Tracy, Vice-Pres., in place of W. H. Warner.

NORTH CAROLINA.

Kinston—First National Bank; J. J. Bizzell, Asst. Cashier.

NORTH DAKOTA.

Dickinson—Merchants' National Bank; E. W. Carlock, Cashier, in place of J. L. Hughes.
Maddock—First National Bank; John Crawford, Vice-Pres., in place of J. E. Truesdell, deceased.

OHIO.

Bethesda—First National Bank; J. W. Wilkinson, Pres., in place of T. M. Kildow; no Vice-Pres. in place of J. W. Wilkinson.
Bucyrus—Second National Bank; T. C. Kiess, Asst. Cashier.

Cadiz—Farmers and Merchants' National Bank; E. N. Haverfield, Pres., in place of M. J. Brown; Jno. S. Lacey, Cashier, in place of C. O. F. Brown; E. L. Ellison, Asst. Cashier.
Canton—City National Bank; consolidated with Canton Savings and Trust Co., under former title; J. H. Kenny, Vice-Pres.
Cleveland—Society for Savings; Myron T. Herrick, Pres., in place of A. L. Witherington, deceased.—Union National Bank; Geo. H. Worthington, Pres., in place of E. H. Bourne.
Collinwood—Collinwood Banking Co.; title changed to Union Savings and Banking Co.

Lebanon—Citizens' National Bank; J. A. Runyan, Pres., in place of J. F. Benham.
Millersburg—J. & G. Adams Bank; George Adams, Pres., deceased.
Port Clinton—First National Bank; F. J. Mitchell, Asst. Cashier.
Sidney—Citizens' National Bank; W. P. Metcalf, Pres., in place of H. W. Thompson; H. E. Beebe, Vice-Pres., in place of W. P. Metcalf.

OKLAHOMA.

Bartlesville — Bartlesville National Bank; Geo. R. McKinley, Asst. Cashier.
Boswell—Boswell National Bank; J. N. Hopkins, Vice-Pres., in place of J. E. G. Bradshaw.—First National Bank; S. C. Boswell, Vice-Pres., in place of H. W. Attoway.
Chandler—First National Bank; Clyde C. Randel, Asst. Cashier, in place of E. A. Flusche.
Custer City—First National Bank; T. P. Stone, Asst. Cashier.
Hastings—First National Bank; E. L. Worrell, Vice-Pres., in place of A. C. Savage.
Konawa—W. W. Akin, Asst. Cashier.
Luther—National Bank; D. W. Hogan, Pres., in place of A. S. Weir; J. Carl Finch, Cashier, in place of E. L. Mantor.
Mounds—First National Bank; I. F. McGee, Cashier, in place of C. P. Hale.
Pawnee—Arkansas Valley National Bank; Geo. H. Smith, Vice-Pres., in place of W. B. Webb.
Pond Creek—First National Bank; F. J. Gentry, Pres., in place of Conrad Strecker; L. W. McGivney, Vice-Pres., in place of F. J. Gentry; Conrad Strecker, Cashier, in place of J. C. McClelland.
Porter—First National Bank; W. L. Huggins, Pres., in place of D. H. Middleton; Jack L. Johnston, Vice-Pres., in place of W. L. Huggins.
Roff—First National Bank; H. Hughes, Asst. Cashier.
Shawnee—State National Bank; no Asst. Cashier in place of Russell Johnson.
Tulsa—Farmers' National Bank; E. F. Blaise, Pres., in place of C. W. Smith.
Walters—Walters National Bank; R. H. Sultan, Pres., in place of D. T. Carter; J. T. Sawyer, Cashier, in place of R. H. Sultan; no Asst. Cashier in place of J. T. Sawyer.
Warner—First National Bank; J. K. McClarren, Cashier, in place of H. C. Wynne.

OREGON.

Baker City—Citizens' National Bank; Guy L. Linsay, Cashier, in place of N. U. Carpenter.

McMinnville—McMinnville National Bank; E. C. Apperson, Pres., in place of Lee Laughlin; F. E. Rogers, Vice-Pres., in place of E. C. Apperson.

Oregon City—First National Bank; C. D. Latourette, Vice-Pres.; F. J. Meyer, Cashier, in place of M. D. Latourette; M. D. Latourette, Asst. Cashier.

Pendleton—Commercial National Bank; A. D. Sloan, Vice-Pres., in place of T. G. Hailey, deceased.

Sumpter—First National Bank; Guy L. Lindsay, Pres., in place of N. U. Carpenter; E. D. Steincamp, Cashier, in place of Guy L. Lindsay.

The Dalles—First National Bank; Ed. M. Williams, Vice-Pres., in place of G. A. Liebe; F. W. Sims, Asst. Cashier.

PENNSYLVANIA.

Berwyn—Berwyn National Bank; Wm. H. Haines, Pres., in place of J. W. Sharp.

Homestead—Homestead National Bank; H. M. Andress, Asst. Cashier, in place of T. B. Brierly.

Pittsburg—Fourth National Bank; J. S. M. Phillips, Asst. Cashier.—Washington National Bank; Eugene S. Reilly, Second Vice-Pres., in place of J. B. Larkin.

Reading—Reading National Bank; Henry K. Harrison, Asst. Cashier.

Scranton—First National Bank; A. G. Ives, Asst. Cashier, in place of F. I. Linen; Alfred T. Hunt, Asst. Cashier.

RHODE ISLAND.

Providence — National Exchange Bank; Michael F. Dooley, Pres., in place of Augustus R. Peirce; Augustus R. Peirce, Vice-Pres.

SOUTH CAROLINA.

Florence—Commercial & Savings Bank; Frank J. Brand, Cashier, in place of A. M. Kittrell, resigned.

Laurens—Peoples Loan and Exchange Bank; C. W. Tune, Cashier, in place of J. Wells Todd, resigned.

SOUTH DAKOTA.

Clark—Clark County National Bank; Fred W. Zander, Asst. Cashier.

Colman—First National Bank; John Kenefick, Pres., in place of W. McK. Housman; J. J. Questad, Vice-Pres., in place of R. J. Dunlap.

Kennebec—Security State Bank; capital increased to $10,000; A. L. Freelove, Pres.; N. H. Pratt, Jr., Vice-Pres.; F. B. Carter, Cashier.

TENNESSEE.

Athens—First National Bank; Edgar Childress, Asst. Cashier, in place of J. L. Emerson.

Lewisburg—First National Bank; Lee Moss, Asst. Cashier.

Pulaski—Citizens National Bank; B. F. McGrew, Vice-Pres., in place of J. T. Oakes, deceased; M. D. Sullivan, Asst. Cashier.

Waverly—First National Bank; Mason Sanders, Cashier, in place of J. E. Pullen; J. A. Slayden, Asst. Cashier, in place of Mason Sanders.

Winchester—Farmers National Bank; C. F. Gattis, Vice-Pres., in place of J. N. Williams; J. O. Ledbetter, Asst. Cashier, in place of W. P. Grisard.

Woodbury—First National Bank; Isaac McBroom, Vice-Pres.; Jno. W. Mason, Asst. Cashier.

TEXAS.

Abilene—Commercial National Bank; W. McCullough, Vice-Pres., in place of J. M. Radford.

Albany—Albany National Bank; W. H. Green, Vice-Pres., in place of W. H. Eddleman.

Amarillo—National Bank of Commerce; R. A. Davis, Asst. Cashier.

Ballinger—Citizens National Bank; J. Wilmeth, Vice-Pres.; M. A. Traylor, Cashier, in place of J. Wilmeth; R. G. Erwin, Asst. Cashier.

Cuero—Buchel National Bank; Wm. Wagner, Vice-Pres.

Grand Saline—Citizens National Bank; R. L. Hayter, Cashier, in place of K. N. Matthews.

Houston — Texas Savings Bank; title changed to Central Bank & Trust Co.; capital, $100,000; T. E. Pye, Pres.; E. R. Johnson, Cashier.

Kenedy—Kenedy National Bank; H. S. Jacobi, Vice-Pres., in place of J. C. Goode.

Knox City—First National Bank; C. A. Benedict, Vice-Pres.; J. A. Wilson, Asst. Cashier, in place of C. A. Benedict.

Lampasas—Peoples National Bank; W. H. Browning, Jr., Cashier, in place of J. M. Brown.

Lindale—First National Bank; O. A. Tunnell, Vice-Pres., in place of F. W. Stewart; J. W. Ogburn, Vice-Pres.

Miles—Runnels County National Bank; G. W. Reeder, Pres., in place of J. J. Raley; W. S. Davis, Vice-Pres., in place of G. W. Reeder; Mr. Davis continues as Cashier; W. S. Davis, Jr., Asst. Cashier, in place of T. Gault.

Ochiltree—First National Bank; James T. Fryer, Vice-Pres., in place of F. M. Phelps E. A. Perry, Vice-Pres.

Robert Lee—First National Bank; A. C. Gardner, First Vice-Pres.; S. B. Kemp, Second Vice-Pres.; no Cashier in place of F. K. Popplewell; J. C. Cunningham, Asst. Cashier, in place of J. A. Clift.

Saint Jo—Citizens National Bank; Chas. L. Gass, Vice-Pres., in place of A. U. Perryman.

Savoy—First National Bank; Dee Stubbs, Cashier, in place of J. B. King.

UTAH.

Park City—First National Bank; O. W. Allen, Asst. Cashier, in place of Eugene Giles.

VERMONT.

Enosburg Falls—First National Bank; Howard F. Kimball, Asst. Cashier.

Middlebury—National Bank; Robt. F. Pinney, Asst. Cashier.

VIRGINIA.

Luray—First National Bank; no Asst. Cashier in place of Lawrence T. Berry.

West Esmont—Esmont National Bank; M. A. Pitts, Cashier, in place of C. R. Dorrier.

WEST VIRGINIA.

Berkeley Springs — Bank of Berkeley Springs; V. E. Johnson, Pres., in place of J. T. Siler, deceased; J. H. Siler, Vice-Pres.

Greenville—Citizens Bank of Monroe County; title changed to Bank of Greenville; capital increased to $25,000.

Richmond—First National Bank; D. H. Frye, Cashier, in place of W. C. Miller.

WISCONSIN.

Lancaster—First National Bank; L. H. Stevens, Cashier, in place of W. A. Johnson; L. A. Clark, Asst. Cashier.

Stoughton—First National Bank; N. A. Nyhagen, Cashier, in place of M. A. Johnson.

Watertown—Merchants National Bank; D. H. Kusel, Vice-Pres.; Chas. E. Frey, Cashier, in place of D. H. Kusel.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

DISTRICT OF COLUMBIA.

Washington—Traders National Bank; in voluntary liquidation, April 21.

GEORGIA.

Albany—Citizens National Bank; in voluntary liquidation, May 1.

INDIANA.

Cayuga—Malone & Son, reported closed.

IOWA.

Marshalltown—City National Bank; in voluntary liquidation, May 4.

KENTUCKY.

Owensboro—Davies County Bank & Trust Co.; reported closed April 30.—Owensboro Savings Bank & Trust Co.; in charge of receiver.

MAINE.

Bangor—Veazie National Bank; in voluntary liquidation April 21.

MASSACHUSETTS.

Boston—National Bank of the Republic; in voluntary liquidation, May 7.

MISSISSIPPI.

Magee—Magee Bank; reported closed May 20.

MISSOURI.

Newtonia—Newtonia State Bank; in course of liquidation.

NEW JERSEY.

Manasquan—First National Bank; in charge of a receiver, May 2.

NEW YORK.

New York City—Coster, Knapp & Co.; suspended business April 29.—Interboro Bank; in course of liquidation.—Home Trust Co. (Branch); reported closed.—McIntyre & Co.; suspended business, April 25.—United States Exchange Bank; in course of liquidation.

OHIO.

Cleveland—American Savings Bank; reported closed, May 14.—Euclid Avenue Trust Co., with its four branches; assigned to Cleveland Trust Co.—Reserve Trust Co.; assigned to Superior Savings & Trust Co.
Defiance—Defiance City Bank; reported closed, May 6.
Toledo—Dorr Street Savings Bank; closed April 16.

OKLAHOMA.

Ramona—First National Bank; in charge of receiver, May 2.

PENNSYLVANIA.

Clintonville—First National Bank; in charge of receiver, April 24.
East Brady—First National Bank; in charge of receiver, May 1.
Emlenton—Farmers National Bank; in charge of receiver, April 24.
Pittsburg—Allegheny National Bank; in charge of receiver.—James Carothers & Co.; in charge of C. F. Patterson, receiver.

SOUTH DAKOTA.

Sioux Falls—Central Bank & Trust Co.; in charge of D. L. McKinney, receiver.

TENNESSEE.

Rutherford—Citizens State Bank; reported closed May 7.

VIRGINIA.

Boydton—Bank of Mecklenburg; reported closed.

WEST VIRGINIA.

Smithfield—Bank of Smithfield; reported closed, May 12.

QUEBEC.

St. Johns—La Banque de St. Jean; in liquidation.

RESUMPTION OF SUSPENDED BANKS.

NEW YORK.

Brooklyn—Williamsburg Trust Co.; resumed business June 8.
New York City—Mayer & Co.; resumed business May 11.